Elama Kindlustus AS Solvency and Financial Condition Report 2025

Summary

Elama Kindlustus AS (hereinafter referred to as Elama) is a non-life insurance company operating in Estonia since 1992, and has been conducting its business under the Elama brand since 2024.

The shareholders of Elama have set a strategic objective to expand the company and thereby establish it as a significant player in the Estonian insurance market. In contrast to Elama's previous strategy, which focused primarily on motor third-party liability insurance, the company now offers a broad range of insurance products for retail clients in pursuit of accelerated growth. To support this expansion and better meet customer needs, Elama will continue in the coming years to introduce new products and continuously modernise its existing insurance solutions. Ensuring the company's future development opportunities requires readiness to engage in projects across various lines of insurance.

The year 2025 was a successful one for Elama. The company experienced rapid development, accompanied by numerous changes and the launch of several new services and product solutions. The primary objective was to maintain the high quality of insurance services provided by Elama, with particular emphasis on ensuring the speed and excellence of claims handling.

In 2025, the Financial Supervision Authority (Finantsinspektsioon) conducted an on-site inspection at Elama, focusing on the assessment of insurable interest, claims handling, and the functioning of the company's governance system. The observations resulting from the inspection were mainly related to the need for more detailed documentation of Elama's activities. By now, all changes arising from the Authority's observations have been fully implemented.

In 2025, Elama continued its previous investment policy, maintaining diversification across multiple asset classes, significantly increasing investments in bonds while reducing the share of term deposits in its portfolio. In addition, selected positions in equity and real estate funds were introduced.

There were no changes in the composition of Elama's Management Board in 2025: Jaanus Seppa and Tanel Kurs continued as members of the Board. The Supervisory Board members Indrek Holst, Kuno Rääk, and Tõnis Karu also continued in their roles. Valmar Vaater joined as the fourth member of the Supervisory Board.

As of 31 December 2025, Elama employed 32 staff members. The management system, implemented to foster an open management culture and clear reporting lines, is functioning effectively. Elama operates through five distinct business areas with separate management: sales, IT, products, claims handling, and finance. Key structural roles — Chief Actuary, Risk Manager and Compliance Officer — are established as independent and segregated functions. An Audit Committee operates under the Supervisory Board and is responsible for organising the auditing of the company's activities. Elama's internal auditor is Grant Thornton Baltic OÜ, and the external audit was conducted by Ernst & Young Baltic AS.

As at 31 December 2025, Elama's eligible own funds under the Solvency II Directive amounted to 9,040 thousand euros, resulting in a solvency ratio of 185%. Elama's minimum capital requirement in 2025 was 4,000 thousand euros. The company uses exclusively Tier 1 own funds to cover its solvency capital requirement.

In 2025, Elama complied with all regulatory requirements and met the statutory solvency and minimum capital requirements. A strong solvency ratio provides Elama with a solid foundation to pursue its growth objectives with confidence and to ensure the stability of its portfolio.

The Solvency and Financial Condition Report for the financial year 2025 was approved by Elama's Management Board on 8 April 2026.

A. Business and Performance

A.1 Business

Business name: Elama Kindlustus AS, Commercial Register Code: 10089395.

Supervisory authority: Finantsinspektsioon, Sakala 4, Tallinn, Estonia.

External auditor: Ernst & Young Baltic AS, Rävala puiestee 4, 10143 Tallinn.

Shareholders with significant holdings as of 31.12.2025:

OÜ R-Holding, shareholding 18.66%

Tavid AS, shareholding 18.21%.

During the reporting period, no significant transactions were made with shareholders, persons having a significant influence on the insurer, and members of administrative, management or supervisory bodies.

The financial audit for 2025 was carried out by the audit firm Ernst & Young Baltic AS.

Financial Performance in 2025

The economic environment remained uncertain in 2025. The war in Ukraine and persistent inflation continued to erode consumer confidence. There is an increasingly noticeable decline in consumers' interest in insurance products, alongside heightened price sensitivity. In addition, the market was affected by legislative and tax changes.

Elama's gross written premiums increased by 41% in 2025, reaching a total of 11,751 thousand euros (2024: 8,313 thousand euros). Of this amount, 5,253 thousand euros derived from motor third-party liability insurance (2024: 6,611 thousand euros); 3,821 thousand euros from comprehensive motor insurance (2024: 1,360 thousand euros); 1,793 thousand euros from financial loss insurance (2024: 12 thousand euros), 382 thousand euros from travel and health insurance (2024: 175 thousand euros), EUR 152 thousand from home insurance (2024: 4 thousand euros) and 110 thousand euros from carrier's liability insurance (2024: 145 thousand euros).

In 2025, Elama introduced several innovative solutions aimed at enhancing the customer experience. A comprehensive home insurance product, offering a wide range of coverage options, was launched across multiple sales channels. Customers can conveniently access their policies and make payments through Elama's self-service portal. When submitting a claim via the website, customers can immediately book an inspection appointment at the nearest repair workshop, thereby reducing claims handling time.

In cooperation with the Estonian Chamber of Agriculture and Commerce and a leading European reinsurer, Elama continued the development and active promotion of its crop insurance product, initially launched in April, to Estonian farmers. As an additional safeguard, coverage against drought-related losses was introduced. The insurance solution offered by Elama is aligned with national support measures, making it more economically accessible to farmers.

To ensure more efficient and stable service delivery, all product solutions were migrated to a unified software platform, and legacy systems were decommissioned. This transition has improved Elama's reporting capability and overall data quality.

The strategic development of Elama's international business line has progressed as planned, with the successful initiation of its first projects. Elama has established a strong partner network across Europe and, in 2025, actively developed cooperation with reinsurers to support this line of business. As part of its first international project, the Financial Supervision Authority granted Elama a licence to provide cross-border property insurance services — including fire, natural forces and other property insurance — in the Kingdom of Spain.

Elama's objective is to grow its insurance portfolio primarily through the introduction of new insurance products. Key priorities include the selection of reliable reinsurers, maintaining low operating costs and applying a conservative risk assessment approach. Continuous improvements to claims handling processes and customer service will also remain a focus.

Future management decisions at Elama will be guided by a strategy of moderate growth and an expanding range of insurance services, without pursuing excessive risk-taking, aggressive market capture or rapid expansion. Customer behaviour in product selection is expected to remain broadly similar over the next three years: a growing share of insurance products will be purchased through online channels, customers will remain price-sensitive, and there will be a gradual increase in interest toward new products and broader coverage options.

Elama's objective of diversifying its product portfolio and spreading insurance risk has so far proven successful and, in 2025, has exceeded initial expectations. The share of motor third-party liability insurance in the portfolio continues to decline steadily, driven by the introduction of new products.

A.2 Underwriting Performance

Revenue from insurance contracts in the reporting year increased by approximately a third compared to the previous year, reflecting the increase in sales volume and the expansion of the portfolio. The revenue base became more diverse: the share of motor third party liability insurance decreased to 56.8%, comprehensive insurance increased to 28.7% and financial loss insurance made a significant contribution with 8.3%. Smaller lines moved in different directions, where travel insurance and property insurance increased, while the share of carrier liability insurance declined to 1.4%. Income from insurance contracts is presented in the following table:

Insurance product	2025	Share	2024	Share
Motor third party liability insurance	5 336 257	56,8%	6 146 525	87,8%
Casco insurance	2 698 389	28,7%	531 117	7,6%
Financial loss insurance	782 903	8,3%	4 894	0,1%
Travel insurance	382 243	4,1%	161 521	2,3%
Carrier liability insurance	128 861	1,4%	152 821	2,2%
Property insurance	58 272	0,6%	2 348	0,03%
TOTAL	9 386 925	100,0%	6 999 226	100,0%

The portfolio has diversified significantly in 2025: motor third party liability insurance now accounts for less than half of the volume of gross premiums, comprehensive insurance for more than a third, and financial loss insurance has become a product with a considerable volume. The role of smaller products (travel and health insurance, property insurance, home insurance) has increased significantly, while the contribution of carrier liability has decreased. Taken together, this has reduced concentration risk and supports a more stable revenue profile. The structure of the insurance portfolio by premiums by the end of 2025 was as follows:

Insurance product	2025	2024
Motor third party liability insurance	44,7%	79,5%
Casco insurance	32,5%	16,4%
Financial loss insurance	15,2%	0,1%
Travel and health insurance	3,3%	2,1%
Property insurance for companies	1,9%	0,1%
Home insurance	1,3%	0,1%
Carrier's liability	0,9%	1,7%

During the 2025 financial year, Elama indemnified losses in the total amount of 6,116 thousand euros, which is 30% more than in the previous year (2024: 4,710 thousand euros). The increase in the volume of indemnified losses was mainly due to the growth of the portfolio. The volume of reserves in the portfolio has decreased by 887 thousand euros since the beginning of the year and the frequency of losses remains as expected.

The table below shows Elama's key financial indicators:

For the reporting period	2025	2024
Written premiums	11 751 253	8 312 578
Insurance premiums received	10 214 640	6 822 622
Accrual losses and claims handling costs	-5 228 078	-4 154 035
Accrual operating expenses	-3 939 233	-3 194 612
Calculated reinsurance premiums	-2 136 488	-2 038 047
The share of reinsurance in losses	945 813	1 124 892
Gross loss ratio	55,7%	59,3%
Gross expenses ratio	41,5%	45,4%
Incl. the ratio of concluding costs	12,9%	7,9%
Reinsurance cost	12,7%	13,0%

At the end of the reporting period	2025	2024
Total assets	21 116 169	21 320 081
Financial investments	11 613 622	12 625 794
Share of investments in assets	55,0%	59,2%

The gross loss ratio is calculated as the ratio of accrual losses and claims handling costs to the income earned from insurance contracts. The gross expense ratio is calculated as the ratio of all expenses incurred (except claims handling costs) to the income earned from insurance contracts. The ratio of concluding costs is calculated as the ratio of accrual-based concluding costs to income earned from insurance contracts. The cost of reinsurance is the ratio of the net cost of reinsurance to the income earned from insurance contracts.

Below are Elama's other most important expenses and income:

Cost/Income	2025	2024	Change
Financial income and expenses	669 672	786 038	-14,8%
Compensation for handling costs received from the mediation of a foreign insurance company	70 382	44 788	57,1%
Compensation for handling costs received from the mediation of an Estonian Insurance company	61 996	78 282	-20,8%
Marketing costs	-92 646	-259 395	-64,3%
Auditor services	-83 260	-145 102	-42,6%

A.3 Investment Performance

In 2025, Elama continued its previous investment policy, diversifying investments into several asset classes, significantly increasing investments in bonds and reducing the share of term deposits in the portfolio. Individual positions in equity and real estate funds were added. As of 31.12.2025, the size of Elama's financial investment portfolio was 11,614 thousand euros (2024: 12,626 thousand euros), the decrease is related to the expiry of one term deposit at the end of the year. As of 31.12.2025, the amount of money in the current account was 3,547 thousand euros (2024: 1,982 thousand euros). Interest and dividend income from investments amounted to 743 thousand euros in 2025. In the previous financial year, the corresponding figure was 662 thousand euros.

The breakdown of financial assets by method of recognition is shown in the table below:

Assets recognised at amortized cost	**31.12.2025**	**31.12.2024**
Deposits	1 504 556	7 056 178
Bonds	5 310 867	2 017 862
Total assets at amortized cost	6 815 422	9 074 040
Assets recognised at fair value through profit or loss		
Bonds	3 673 896	2 757 310
Stocks and equity funds	914 253	794 444
Real estate fund units	210 050	0
Total assets at fair value	4 798 199	3 551 754
Total financial investments	11 613 622	12 625 794

All Elama investments are in euros, there is no currency risk. Elama does not use any other investment methods.

The income earned from investing assets is presented in the following table:

Financial Returns Earned	**2025**	**2024**
Interest income	697 650	457 001
Change in fair value	240 627	353 819
Change in estimated credit loss	-311 723	-24 427
Calculated dividends	29 765	0
Proceeds from the sale of shares	15 609	0
Investment costs	-2 256	-356
Total	669 672	786 038

A.4 Performance of other activities

Elama is only engaged in insurance activities and performs no other business activities.

A.5 Any other information

Elama has no other important information to add.

B. System of Governance

B.1 General information on the system of governance

Elama operates a governance system that provides a solid and reliable foundation for managing its business activities, while supporting an open management culture and clear reporting lines.

The governance system is proportionate to the nature, scale, and complexity of Elama's operations. Its objective is to ensure effective management of the company and the optimal execution of its strategy. In developing its governance framework, Elama is guided by the principle that it should be as simple, efficient, and readily applicable as possible, while simultaneously complying with all applicable legal requirements. The system is implemented with due regard for the need to respond swiftly to market changes and emerging opportunities, while ensuring the appropriate mitigation of all material business and regulatory risks.

Elama's governance system facilitates the communication and exchange of information relevant to its operations and broadly defines the functions of risk management, actuarial, compliance, and internal audit. In implementing these key functions, Elama follows the general principles set out in Commission Delegated Regulation (EU) 2015/35, as well as applicable legislation and supervisory guidelines. A responsible person is designated for each key function.

The governance system encompasses the company's management principles, values, and organisational structure. It also includes various internal policies, procedures, and documentation.

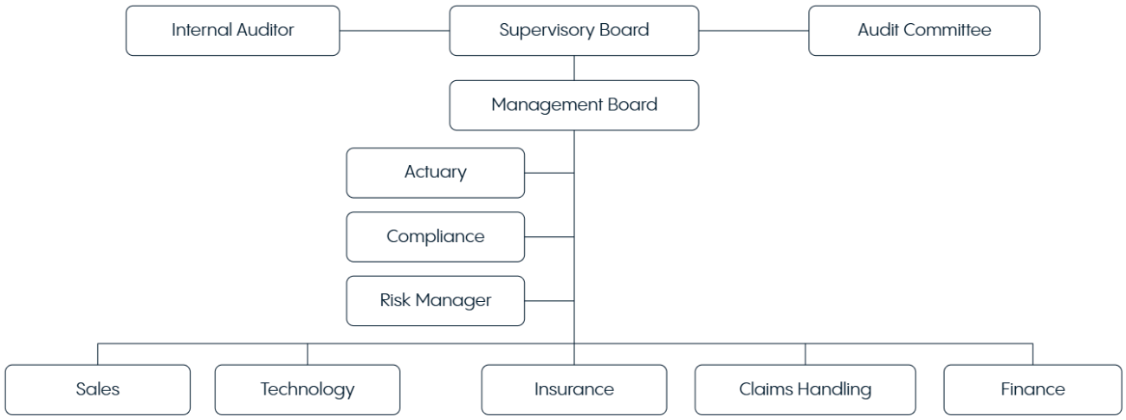
The governance system is updated whenever there are changes in reporting lines, the addition or discontinuation of business lines or internal units, or changes in the nature, scale, or complexity of the company's operations.

Elama's governance system:

- establishes, implements, and supports effective cooperation, internal reporting, and information flows across all necessary levels of the organisation,
- ensures a clear and well-defined organisational structure with transparent, consistent, and documented areas of responsibility throughout the company,
- ensures that employees and appointed or prospective appointees possess the necessary skills, knowledge, and experience to perform their duties properly,
- ensures that employees and appointed or prospective appointees are aware of the rules required for the proper performance of their duties,
- establishes, implements, and supports sound decision-making processes,
- ensures that no activity prevents or is likely to prevent individuals involved from carrying out their responsibilities in a reliable, honest, and professional manner,
- establishes information systems that provide adequate, reliable, consistent, timely, and relevant information on all areas of activity, undertaken obligations, and existing risks,
- maintains appropriate and orderly records of its business activities and internal rules,
- ensures the security, integrity, and confidentiality of information, taking into account its nature,
- has implemented clear reporting lines that enable the prompt delivery of information to all relevant persons in a manner that allows them to recognise its significance, and establishes and supports effective risk management, compliance, internal audit, and actuarial functions.

Elama fosters an organisational culture that enables and supports the effective functioning of its governance system.

The organizational structure of Elama is shown in the following figure:



The purpose of Elama's legal and organisational structure is to support its strategic objectives and business activities. The structure is designed in a way that allows it to be adapted within an appropriate timeframe in response to changes in Elama's strategic goals, operations or business environment.

Elama's organisational structure is transparent, clear and consistently up to date, thereby contributing to effective corporate governance. At the same time, it ensures that the internal audit function and other key functions remain independent from business operations. Adequate segregation of duties is maintained, along with the availability of appropriately qualified staff and sufficient financial resources to ensure the effective performance of each role.

Elama's governance structure comprises the following elements:

- the General Meeting of Shareholders,
- the Supervisory Board,
- the Management Board,
- committees,
- key functions,
- core business areas.

The General Meeting of Shareholders is Elama's highest governing body, through which shareholders exercise their statutory rights. Each shareholder has the right to participate in the meeting, speak on agenda items, ask substantiated questions, and submit proposals. The General Meeting elects the Supervisory Board, approves the annual report, decides on the allocation of profit or loss, and appoints the auditor and determines the principles of auditor remuneration.

The Supervisory Board is responsible for planning Elama's strategic objectives and overseeing the activities of the Management Board. Members of the Supervisory Board must possess the knowledge and experience necessary to perform their duties. Its responsibilities include, *inter alia*, planning the company's activities and governance, appointing and recalling members of the Management Board (including the Chair), approving the annual budget, appointing and recalling members of the Audit Committee, appointing and recalling the internal auditor, and granting consent for transactions and actions that fall outside the scope of the company's ordinary course of business.

The Management Board is responsible for the day-to-day management of Elama, based on the strategy and budget approved by the Supervisory Board and the general principles governing the company's activities. In performing its duties, the Management Board is guided by applicable laws, the articles of association, and internal policies. Members of the Management Board manage the company, make necessary management decisions, and organise its daily operations in accordance with internal procedures. The Chair of the Management Board is responsible for organisational development, overall management, compliance, auditing, sales management, financial management, and ICT. The other member of the Management Board is responsible for product management, claims handling, risk management, and actuarial activities. Each member of the Management Board is authorised to represent Elama in all transactions.

Elama establishes various functional committees as needed, with the role of advising key functions and structural units and ensuring the quality and independence of decision-making.

The purpose of the Audit Committee is to advise the Supervisory Board in the areas of accounting, external audit, risk management, internal control and internal audit, supervisory activities, budgeting, and legal compliance.

Elama has implemented four key functions:

- the internal audit function,
- the actuarial function,
- the compliance function,
- the risk management function.

The internal audit function operates as an independent control function reporting to the Supervisory Board. It is outsourced at Elama and is carried out in accordance with a plan approved by the Supervisory Board. Its objective is to apply a risk-based approach to provide an independent assessment of the compliance of all Elama activities and units with internal policies and procedures, as well as external requirements. Within the Management Board, responsibility for the internal audit function lies with the Chair, who is also designated as the person responsible for organising this function.

The actuarial function is integrated into Elama's organisational structure in such a way that it remains free from influences that could compromise its ability to perform its duties objectively, fairly, and independently. Its purpose is to ensure quality through actuarial technical expertise. Responsibility for organising the actuarial function lies with the responsible actuary.

The compliance function plays a key role in ensuring that Elama's activities comply with applicable laws, regulations, and best practices. Its task is to manage compliance risk, i.e. to help prevent its materialisation (including fines, claims for damages, termination of contractual relationships, and reputational damage). The compliance function monitors regulatory developments, informs the Management Board, provides advice on compliance matters, and participates in the evaluation of new products and processes. Responsibility for organising the compliance function lies with the Head of Compliance. Its activities are reviewed by internal audit and the Management Board, together with persons designated by the Board.

Risk management plays a central role in ensuring that effective processes are in place to identify, assess, and mitigate risks. Responsibility for organising the risk management function lies with the Risk Manager.

Elama's core business areas are structured as follows:

- sales and marketing,
- technology,
- insurance,
- claims handling,
- finance.

Remuneration Policy

The bases and principles of remuneration in Elama are clear and transparent and take into account Elama's long-term goals, while also proceeding from the company's financial results and employees' salary and working conditions. Remuneration refers to the payment of fair remuneration to Elama's employees and members of the management board that corresponds to the content and contribution of their work.

The principles of remuneration are in accordance with the principles of risk-taking, the risk profile and are based on the possible realisation of risks over several years. The purpose of the remuneration principles is to organise fair, motivating, transparent and lawful remuneration, as well as to recruit employees with the capacity, skills and experience necessary for the implementation of Elama's strategy, to align the interests of employees and shareholders, to motivate employees and to ensure effective risk management for growing business activities.

The remuneration policy is designed in a way that does not jeopardise Elama's ability to maintain proper equity or encourage excessive risk-taking.

B.2 Fit and proper requirements

The managers and responsible persons of the insurer must meet the requirements of fit and proper in accordance with the provisions of Article 273 of the European Commission Delegated Regulation (EU) 2015/35.

In Elama, an assessment of suitability and compliance with requirements is carried out for the following persons:

- members of the supervisory board,
- members of the management board,
- persons responsible for key functions.

The members of the management body must collectively have relevant qualifications, experience and knowledge in at least the following areas:

- insurance and financial markets,
- business strategy and business model,
- management system,
- financial and actuarial analysis,
- legal framework and requirements.

Members of Elama's management and persons responsible for key functions must possess the education, knowledge and experience required to manage an insurance undertaking and to perform their respective key functions, as well as an impeccable professional reputation.

Fit and proper assessments are conducted prior to an individual assuming a position subject to such evaluation, as part of the annual assessment process, or whenever doubts arise regarding the individual's suitability. The assessment of suitability includes an evaluation of the individual's previous professional experience, a review of educational credentials, and qualifications relevant to the position in question. It is based on determining whether the individual meets the requirements in terms of knowledge, experience and qualifications necessary for the role. Professional competence is assessed by taking into account both the knowledge acquired through education and training, as well as practical experience gained through prior professional activities.

In assessing the suitability of members of the Supervisory Board and the Management Board, particular importance is placed on the individual's role and responsibilities, as well as on ensuring a balanced mix of qualifications, knowledge, and experience necessary for the effective management of the company. The assessment of propriety also includes evaluating the individual's integrity, financial soundness and reliability. Accordingly, there must be no circumstances that would preclude the individual's appointment to the position, including any relevant legal infringements.

Candidates are required to provide confirmation that no legal circumstances exist that would prevent them from serving as a member of the management of an insurance undertaking or as a person responsible for a key function. Upon assuming their role, candidates must not be subject to any conflicts of interest between their personal interests and those of the company.

Where key functions are outsourced, the suitability and propriety of the service provider are assessed with the same level of diligence.

The fit and proper assessment is carried out in accordance with § 106(1) of the Insurance Activities Act, Article 273 of Commission Delegated Regulation (EU) 2015/35, and the relevant supervisory guidelines.

B.3 Risk management system including the own risk and solvency assessment

Risk management system

The risk management system establishes the strategies, processes, and reporting procedures necessary for the continuous identification, assessment, management, monitoring and reporting of risks, both individually and on an aggregated basis, taking into account the risks themselves, their likelihood of occurrence, and their interdependencies. Elama's risk management system is designed to support the implementation of its business strategy.

The main objectives of the risk management system are:

- identification of risks,
- measurement and assessment of risks,
- monitoring of risks,
- management and mitigation of risks,
- support for capital management,
- provision of input for the ORSA (Own Risk and Solvency Assessment),
- support for the sustainable and controlled operation of Elama and the achievement of its internal objectives.

Elama's risk management system consists of the following elements:

- responsibility of the Management Board and assurance that the risk management system is proportionate to the nature, scale, and complexity of the risks associated with Elama's business activities, enabling the identification and assessment of both short- and long-term risks to which Elama is or may be exposed,
- performance of key functions and ensuring their effective operation,
- a proper and efficient reporting chain and its documentation,
- coverage of all risk categories,
- integration of risk management and risk culture into the organisation and decision-making processes.

Elama's risk management system is proportionate to the nature, scale, and complexity of the risks inherent in its business activities.

The risk management system covers at least the following areas:

- underwriting risk assessment and the establishment of technical provisions,
- asset and liability management,
- investments, particularly derivatives and similar commitments,
- management of liquidity and concentration risk,
- management of operational risk,
- reinsurance and other risk mitigation techniques.

The implementation of the risk management system is integrated into Elama's organisational structure and decision-making processes.

Elama's approach to risk management is based on a strong risk culture and incorporates the three lines of defence model:

- the first line of defence consists of business units reporting to the Management Board, which are directly exposed to risks and are responsible for risk-taking and day-to-day risk management,
- the second line of defence comprises independent functions — compliance, actuarial, and risk management — also reporting to the Management Board, responsible for overseeing routine risk management, providing methodological support, and controlling, analysing, and consolidating risk-related information,
- the third line of defence consists of independent internal and external auditors, the Supervisory Board and the Audit Committee, who oversee the effectiveness of processes and control mechanisms.

Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment (ORSA) is a key element of the second pillar of the Solvency II framework. The primary objective of ORSA is to provide reasonable assurance that Elama's business strategy and business plans are feasible and do not entail material risks that could lead to a capital shortfall. Accordingly, ORSA is closely linked to Elama's business planning process.

ORSA takes into account Elama's business strategy, current and forward-looking risk assessments, and the resulting solvency requirements. It is an integral part of the insurer's governance system, providing a regular and comprehensive view of the risks relevant to the execution of the strategy, as well as the company's future capital needs.

The regular ORSA process forms an integral part of the medium-term planning process. The medium-term planning process considers the most recent formal ORSA report, along with any subsequent updates and revisions. Key components of the process include strategic business planning, risk assessment and its outcomes, determination of the risk profile and risk appetite, and the calculation of the solvency capital requirement and technical provisions.

One of the key outputs of the ORSA process is the ORSA report, which is prepared following each full-scale ORSA exercise. The report primarily contains the final results of the process, demonstrating that the medium-term business plan is viable and outlining the conditions necessary for its successful implementation.

Elama conducts a regular ORSA at least annually. The frequency is determined by the core components of the ORSA process, including strategic planning, risk identification and assessment, determination of the risk profile and risk levels, changes in capital requirements relative to the capital position, potential changes in planning procedures, business development and other relevant factors. As part of this process, the underlying ORSA principles are reviewed at least once a year.

The results of ORSA serve as an informative output on the relevant processes, enabling an assessment of whether these processes are functioning effectively, do not pose material risks or require adjustments.

ORSA is integrated into Elama's organisational structure and decision-making processes. The ORSA report is approved by the Management Board. The results are communicated to the Supervisory Board and employees. Based on the ORSA results, the Management Board prepares a forward-looking business strategy following the approval of the report.

An extraordinary ORSA is conducted in the event of a significant change in Elama's risk profile or risk assessments.

B.4 Internal control system

Elama's Supervisory Board ensures, and the Management Board organises the effective functioning of an adequate and efficient internal control system.

The internal control system plays a key role in Elama's governance and serves as the foundation for sound and reliable business operations. Its purpose is to minimise the occurrence of operational risks that could threaten Elama's activities, support the Management Board in responding promptly to changes in the operating environment and enable adaptation to evolving conditions.

The internal control system covers all levels of management and operations within Elama and is proportionate to the nature, scale, and complexity of its business activities.

The objective of the internal control system is to provide reasonable assurance regarding the achievement of Elama's objectives in the following areas:

- effectiveness and efficiency of operations, in light of related objectives and risks,
- availability and reliability of information,
- compliance with applicable laws and regulations.

The effectiveness of the internal control system is assessed based on the following components:

- control environment: integrity and ethical values, employee competence and the application of knowledge in daily work, management style, organisational structure, etc.,
- risk management: identification, analysis, assessment, measurement, monitoring, and mitigation of risks associated with Elama's activities, as well as decision-making related thereto,
- control activities: policies, procedures, and operational guidelines that ensure that the actions and processes established by the Management Board are properly followed and executed,
- information and communication: identification, collection and dissemination of information necessary for carrying out activities and making decisions,
- monitoring: the Management Board oversees the entire process and introduces appropriate changes where necessary.

Elama applies the three lines of defence model described in section B.3 of this report.

Compliance

The compliance function constitutes an essential component of Elama's internal control system. The compliance function advises the Management Board, the Supervisory Board, key function holders, and employees on adherence to applicable laws and regulations, as well as internal policies and their consistency with one another.

In addition, the compliance function assesses the potential impact of any changes in the legal and supervisory environment on Elama's activities and its compliance framework. It also verifies that new products and processes, cooperation agreements and internal policies comply with the applicable legal framework and, where relevant, take into account developments in the regulatory and supervisory environment.

Elama's operations are organised in such a way that the compliance function is involved — both as an advisor and as a control function — in key activities that may increase the company's risk exposure. Such activities include, *inter alia*, the development of product terms and conditions, the drafting of significant cooperation agreements and the preparation of internal policies and procedures.

B.5 Internal audit function

Elama's Supervisory Board ensures, and the Management Board organises, the effective functioning of an adequate and efficient internal audit function. Functionally, the internal auditor reports directly to the Supervisory Board. The specific authority required for performing audit tasks is defined in the internal audit work plan. The internal audit function is independent of the areas subject to review and the internal auditor must act objectively in carrying out their duties. The internal auditor reports to the Supervisory Board and the Audit Committee.

Internal auditing is an independent and objective assurance and advisory activity designed to add value and improve the organisation's operations. It supports the achievement of organisational objectives through a systematic and disciplined approach to evaluating and enhancing the effectiveness of risk management, control and governance processes.

The responsibilities of the internal audit function include, *inter alia*, assessing the compliance and effectiveness of the internal control system and other elements of the governance system, including the efficiency and effectiveness of the risk management function.

Elama's internal audit function is outsourced, which enhances the independence of those performing the function. When procuring the service, the Management Board is responsible for ensuring that the internal audit service provider delivers the agreed services in accordance with the contract, both in terms of scope and quality.

B.6 Actuarial function

The actuarial function is a key function required of insurers under the Insurance Activities Act and plays a significant role in the organisation of Elama's operations. Its objective is to ensure the quality of Elama's governance through actuarial technical expertise and it operates free from any influences that could compromise its independent, fair and objective performance.

The person responsible for organising the actuarial function is Elama's appointed actuary, who reports to the Management Board and is accountable for the proper execution of the function.

In accordance with the Insurance Activities Act, the actuarial function is primarily responsible for certifying the adequacy of insurance premium rates, the accuracy of technical provisions and financial liabilities and the compliance of own funds with statutory requirements, as well as for preparing the reports required by law.

In organising and coordinating the calculation of technical provisions, the actuarial function must ensure:

- that the methodologies and procedures used to assess the adequacy of technical provisions comply with EU directives, in particular the requirements of Directive 2009/138/EC (Solvency II),
- the assessment of uncertainty associated with estimates used in the calculation of technical provisions (including their adequacy and appropriateness),
- that any deficiencies in the data used for calculations are properly addressed,
- the use of appropriate and sufficiently prudent approximations, particularly in the cases referred to in Article 82 of Directive 2009/138/EC,
- the identification of relevant homogeneous risk groups necessary for assessing risks arising from insurance and reinsurance obligations,
- the provision of an opinion on the reinsurance programme,
- the use of relevant information from financial markets in the calculation of provisions (including guidelines and parameters established by EIOPA),
- the comparison of technical provision calculations over time, with explanations for any material deviations and implementation of changes where necessary.

The actuarial function provides guidance and opinions in the development of underwriting, pricing, and policy issuance principles, ensuring that these appropriately reflect the relationship between insurance risks and the development of technical provisions.

It works closely with the risk management, product management, and claims handling units, and actively participates in the development of capital requirement calculation models, as well as in assessing and maintaining their appropriateness.
The actuarial function is also actively involved in the calculation of capital requirements and in the ORSA process, including by:

- performing necessary assessments and controls,
- calculating the Solvency Capital Requirement (SCR) and conducting stress tests,
- validating ORSA assumptions,
- assessing the quality of the data used,
- coordinating the calculation of technical provisions,
- developing calculation methodologies, including the selection of assumptions,
- assessing the compliance of technical provisions.

B.7 Outsourcing

Outsourcing refers to the use of third-party services by Elama on a contractual basis, taking into account the specific requirements and limitations set out in applicable legislation. It involves the ongoing performance of activities and operations necessary for providing services to clients, which would ordinarily be carried out by Elama itself.

When entering into any outsourcing agreement, Elama identifies the associated risks and implements appropriate and sufficient measures to manage, control and mitigate those risks.

In selecting a service provider, the Management Board assesses the provider's suitability and compliance, including verifying that the individuals involved meet the requirements established by law, guidelines and supervisory expectations — particularly with regard to education, knowledge, experience and reputation. Agreements are concluded only with service providers who meet these requirements and are capable of delivering the relevant services.

In the case of outsourcing a key function, the Management Board appoints a person who meets statutory requirements and is responsible for overseeing the performance of that function.

Activities that are prohibited by law from being outsourced — including those falling within the competence of the governing bodies of a legal entity — may not be delegated.

In 2025, Elama outsourced the following activities:

- internal audit services,
- IT development and maintenance services,
- call centre and assistance services,
- recovery of recourse claims,
- claims handling services up to a defined monetary threshold.

B.8 Assessment of the adequacy of the system of governance

The assessment of the effectiveness and compliance of the governance system is based on the nature, scale, and complexity of Elama's business activities. Elama's Supervisory Board has approved internal governance rules, which are updated at least once a year. This enables Elama to evaluate its operations and demonstrate compliance with applicable requirements on an annual basis.

The adequacy of the governance system is assessed and updates are made, in particular in the event of changes in reporting lines, the addition or discontinuation of business lines or internal units or significant changes in the nature, scale, or complexity of business activities. The purpose of the assessment is to evaluate both the compliance and effectiveness of the governance system.

The review and updating of the governance system involve key function holders, the Management Board and the Supervisory Board, all of whom may propose updates at any time. The Management Board is responsible for ensuring the effective implementation of best governance practices and regulatory governance requirements.

B.9 Any other information

In accordance with Elama's internal procedures, the governance system and relevant internal policies are reviewed at least once a year.

C. Risk profile

Elama's risk profile forms the cornerstone of the company's overall risk strategy and governance framework, serving as a primary input for the Management Board in strategic decision-making and capital planning. The principal risks arise from core underwriting activities and asset allocation, resulting in a profile dominated by insurance and market risks, complemented by credit, liquidity, operational, cyber security, reputational and compliance risks.

The assessment of core financial and insurance risks relies on quantitative methodologies, applying the Solvency II standard formula, which defines the Solvency Capital Requirement (SCR) at a 99.5% confidence level over a one-year horizon, while also taking into account the mathematical effects of risk diversification. Risks that are more complex to model — such as strategic, sustainability, anti-money laundering, and conduct-related risks — are regularly assessed using qualitative metrics. The aggregate view of risks assessed through both quantitative and qualitative approaches constitutes an integral part of the annual Own Risk and Solvency Assessment (ORSA) process.

To mitigate underwriting risks, Elama employs continuous monitoring of technical provisions, dynamic adjustment of premium tariffs and the use of appropriate reinsurance programmes. Market, credit and liquidity risks arising from investment activities are managed through a defined risk appetite framework and associated risk indicators.

The overall design, implementation and ongoing monitoring of the risk management system are the responsibility of an independent risk management function, which ensures its autonomy through direct reporting to both the Management Board and the Supervisory Board. Maintaining the risk profile within the established risk appetite is supported by a comprehensive internal control system, appropriate internal policies, early warning mechanisms and competent personnel. In the event of material deviations in the risk profile or significant changes in the operating environment, the risk management function promptly escalates such information to senior management, thereby ensuring the continued operational resilience and financial stability of Elama.

In 2025, Elama's risk profile remained within the approved risk appetite.

The following sections outline the identified risks, their descriptions, and the measures applied to mitigate them.

C.1 Underwriting risk

Underwriting risk is a core risk arising from Elama's primary business activities and represents the potential for financial loss or an adverse deviation in the value of technical provisions. This risk materialises when premiums collected and technical provisions established prove insufficient to cover incurred and future claims, as well as the associated claims-handling expenses. Underwriting risk is typically divided into five main categories:

- Premium risk (pricing risk), which arises from inadequate pricing of insurance products and higher-than-expected claim frequency or severity. This risk begins at policy inception and persists until the occurrence of an insured event;
- Reserve risk (provisioning risk), which refers to the risk that the absolute level of claims provisions is insufficiently estimated, or that actual claim payments (including adverse development of prior-year claims) exceed expectations;
- Catastrophe risk, which relates to infrequent but high-severity natural catastrophes (such as storms and floods) and man-made large-scale events, leading to significant accumulation of losses within the insurance portfolio;
- Expense risk, which is the risk that administrative costs associated with insurance contract management (including, for example, IT development-related expenditures) exceed expected levels, thereby adversely affecting Elama's expense ratio and profitability;

- Lapse risk (policyholder behaviour risk), which arises from unexpected policyholder behaviour, such as early policy termination (deviations in lapse rates) or changes in payment behaviour, resulting in reduced projected cash flows.

The management of underwriting risk is primarily based on three pillars: the determination of adequate premium rates, insurance benefits, and technical provisions. In addition, it encompasses product selection, product development, pricing, risk assessment at both individual risk and portfolio level, regular monitoring and reporting of underwriting risk, as well as the use of reinsurance as a key risk mitigation tool.

Risk Assessment, quantification and sensitivity analysis

To determine the appropriate capital requirements and technical provisions, Elama applies a combination of quantitative and qualitative methods, including:

- Quantitative modelling. The calculation of the Solvency Capital Requirement (SCR) for underwriting risk is based on the Solvency II standard formula. Pricing and the determination of technical provisions rely on tariff models developed by the actuarial function and historical claims experience. The modelling of future cash flows is based on a best estimate approach, taking into account all available and justified information consistent with prevailing market conditions.

- ORSA (Own Risk and Solvency Assessment).

Risk concentration

To avoid excessive risk accumulation, Elama analyses its portfolio structure at the level of geographical distribution, lines of business, and customer segments. To maintain an optimal risk balance, it is ensured that Elama's sustainable profitability does not depend disproportionately on any single economic sector or large client. Risks exceeding predefined retention limits are mitigated proportionally through reinsurance arrangements.

Risk mitigation

In line with Elama's objectives, the company does not focus on individual customer segments. Risk selection in portfolio management is primarily based on identifying loss-making segments and reducing their share within the portfolio. In addition, non-performing risks are gradually eliminated from the portfolio upon policy renewal.

In selecting insurance products, Elama follows its overall business strategy and the principle that products should be suitable for a broad customer base, ensuring that risks are widely diversified and do not require specialised expertise for risk assessment.

Prior to launching new products, the risks embedded in the product are assessed and the corresponding capital requirement is determined.

Methods for measuring and mitigating claims-related risks include monitoring Elama's own and market claims statistics, compliance with legislation, and continuous awareness of developments in market risks and legal practice. Effective claims risk management relies on strict adherence to rules and standards. Claims handling rules are based on legal requirements and internal claims management procedures. Risk mitigation measures include, for example, adjusting pricing or policy terms in the event of increasing claims frequency or severity.

Reinsurance

Reinsurance is a critical instrument for optimising underwriting risk and protecting solvency capital. Elama applies a combined approach comprising both proportional and non-proportional reinsurance. Separate catastrophe cover is purchased to limit the impact of large-scale natural and man-made events.

To ensure risk diversification, reinsurance placements are, where possible, spread across multiple reinsurers. Reinsurers are selected from among reputable and financially sound counterparties, with a preference for a conservative approach over more aggressive but higher-risk arrangements. The selection is not based solely on reinsurer credit ratings. In addition, attention is paid to ensuring that the time lag between claims payments and reinsurance recoveries remains reasonable and does not pose a liquidity risk to Elama. The adequacy of the reinsurance programme is continuously monitored and adjusted where necessary. The need for reinsurance is also assessed when designing new insurance products.

Stress testing and risk scenarios

As part of the ORSA process, Elama regularly conducts scenario analyses and stress tests to ensure that own funds remain adequate relative to the risk profile over the medium and long term. Scenarios considered include, inter alia, excessively rapid premium growth, a decline in average premium levels, unavailability of IT systems, sharp declines in investment values, and the materialisation of climate risk. Reverse stress tests are also performed to identify scenarios that would cause Elama's solvency ratio to fall below critical levels.

Sensitivity to underwriting risk

Sensitivity to underwriting risk reflects the impact of changes in specific risk parameters on the insurer's operations, including effects on net profit, balance sheet, and solvency position. Sensitivity analyses, stress tests, and reverse stress tests are conducted at least annually or whenever there is a material change in Elama's risk profile.

C.2 Market risk

Market risk arises from general fluctuations in foreign exchange rates, interest rates and the value of financial assets, leading to adverse movements in their valuation.

As a result of both investment activities and changes in the value of assets and liabilities, Elama is exposed to a range of market risks, including:

- a portion of investments is allocated to bonds; therefore, their value may be affected by spread fluctuations, i.e. credit spread risk,
- investments in equities and investment funds give rise to exposure to equity markets and the resulting equity risk,
- changes in the interest rate environment affect both investment values and the present value of technical provisions, meaning that results are sensitive to both increases and decreases in interest rates, giving rise to interest rate risk,
- investments in real estate funds generate real estate risk, arising from adverse movements in property market prices,
- excessive exposure to specific issuers or funds may lead to concentration risk, which can undermine portfolio stability,
- foreign exchange risk would arise if Elama generated income or held assets in multiple currencies. In 2025, all of Elama's operations were conducted in euros, and no foreign exchange risk materialised.

When investing assets, the Management Board ensures that an optimal balance between return and security is maintained, that investments are sufficiently diversified and that Elama's level of liquid assets does not fall below the minimum threshold defined in the investment policy.

Elama is also exposed to interest rate risk through outstanding claims liabilities and corresponding reinsurance assets, where cash flows are not expected to be settled within one year from the occurrence of the insured event.

Risk Mitigation

In managing its assets, Elama follows the principle of prudence and invests solely in assets and financial instruments whose risks it is able to identify, assess, monitor, manage, control, and report, and which can be appropriately reflected in its overall solvency assessment.

In 2025, Elama significantly diversified its investment portfolio, primarily through various bond investments, across issuers, markets and economic sectors. As a result, concentration risk was substantially reduced.

To mitigate interest rate risk, Elama has placed available funds in fixed-term deposits with fixed interest rates. Its bond investments are predominantly allocated to fixed-income securities offering yields significantly above prevailing market interest rates. Elama intends to hold these investments to maturity; therefore, temporary fluctuations in market value due to changes in interest rates do not affect its intention to retain these securities.

Elama does not engage in high-risk investments and avoids investing in securities known to be associated with activities that are incompatible with environmental and social responsibility (negative impacts on sustainability factors) and/or with other activities that do not align with Elama's values.

C.3 Credit risk

Credit risk is the risk of incurring financial loss due to a deterioration in the creditworthiness of a counterparty and/or its inability to meet its obligations in a timely manner. Counterparties include, *inter alia*, policyholders, reinsurers, insurance intermediaries, credit institutions and other debtors.

Credit risk is mitigated through continuous monitoring of changes in counterparty creditworthiness, which is assessed, among other factors, on the basis of payment behaviour and credit ratings.

The credit risk associated with insurance intermediaries is mitigated through regulatory mechanisms, such as the withdrawal of distribution authorisation. The credit risk related to reinsurers is managed by assessing the solvency and reliability of the reinsurer prior to entering into any reinsurance agreement.

Reinsurance receivables are distributed by credit rating categories as follows:

Rating	31.12.2025	Share	31.12.2024	Share
AA-	1 224 429	26,0%	1 495 795	26,4%
A+	1 610 596	34,2%	2 066 192	36,4%
A	273 142	5,8%	305 661	5,4%
A-	103 606	2,2%	118 305	2,1%
B++	47 093	1,0%	54 887	1,0%
Unrated	1 445 768	30,7%	1 623 142	28,6%
Total	4 709 344	100%	5 669 652	100%

Fixed-term deposits are distributed by credit rating categories as follows:

Rating	31.12.2025	Share	31.12.2024	Share
A-	1 504 556	100,0%	5 041 778	71,5%
BBB+	0	0,0%	2 014 400	28,5%
Total	1 504 556	100%	7 056 178	100%

Current accounts are distributed by credit rating categories as follows:

Rating	31.12.2025	Share	31.12.2024	Share
Prime-1	768 340	22%	886 327	45%
Prime-2	2 676 776	75%	1 068 227	54%
Unrated	102 164	3%	27 854	1%
Total	3 547 279	100%	1 982 408	100%

As of 31.12.2025, the amount of overdue claims was 137 699 euros, of which 127 300 euros were received in January 2026.

C.4 Liquidity risk

Elama must ensure on a daily basis that it has sufficient financial resources to settle claims payments on an ongoing basis and to cover other operating expenses.

Liquidity risk is the risk that Elama is unable to realise investments and other assets in order to strengthen its cash position and meet its financial obligations in a timely manner.

To mitigate liquidity risk, Elama's investment policy defines a minimum threshold for demand deposits held in current accounts. In addition, when making investment decisions, Elama ensures that sufficient liquid assets are maintained at least at the level of average claim payments and fixed operating expenses over the period defined in the investment policy.

As at 31 December 2025, Elama's liquid assets were as follows:

	31.12.2025	31.12.2024
Current accounts	3 046 925	1 982 408
Short-term deposits	500 354	0
Total	3 547 279	1 982 408

The liquidity risk arising from insurance contracts is related to the obligations of the insurer. The main measure for the management of liabilities is the determination of the amounts of provisions for the correct outstanding claims. In order to fulfil its obligations, Elama keeps sufficient financial resources in term deposits and demand deposits, which allows funds to be obtained quickly enough.

The table below describes the company's liabilities by maturity, showing how much of the provision is likely to be paid out in the next 12 months, 2 years, 3 years, etc. The assessment is based on past events.

Years	1	2	3	4	5	6	Later	Total
Motor third party liability insurance	3 529 518	843 249	444 131	384 874	376 951	266 510	5 740 844	11 586 077
Vehicle Insurance	1 422 314	1 144	0	0	0	0	0	1 423 457
Land Vehicle Holder Liability Insurance	149 354	9 135	0	0	0	0	0	158 489
Travel insurance	98 224	5	0	0	0	0	0	98 228
Property insurance	657 115	16 976	0	0	0	0	0	674 090
Total	5 856 525	870 508	444 131	384 874	376 951	266 510	5 740 844	13 940 343

C.5 Operational risk

Under the Solvency II technical specifications, operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people, systems, or external events. Operational risk includes legal risk but excludes risks arising from strategic decisions and reputational risk.

Operational risk drivers include:

- People-related factors – such as a lack of appropriately skilled personnel or misconduct, fraud, breaches of law, theft, and other improper actions by employees,
- Processes – including sales activities, pricing, settlement processes, documentation, contractual arrangements and reporting,
- Systems – such as system failures, disruptions, cybersecurity and information security risks, capacity constraints and insufficient investment in ICT development and implementation,
- External factors – including outsourced service providers, natural catastrophes, litigation, political risk and criminal activity,
- Legal factors – including non-compliance with legislation, regulatory implementation issues, lawfulness of activities and legal disputes.

Operational risks are identified across all products, activities, processes and systems. Risk identification is carried out through:

- completion of risk assessment questionnaires,
- mapping of risks within functions and processes,
- meetings between organisational units and the risk management function,
- regular monitoring of key risk indicators,
- day-to-day identification by process owners,
- incident management and stakeholder discussions,
- findings from internal audit.

Elama assesses all operational risks at least once a year, with enhanced focus on material and highly significant risks. The main operational risks considered material by Elama include changes in the economic environment and legislation, insurance fraud, outsourcing, system development and implementation and reinsurance.

The following risk treatment strategies are applied at Elama:

- Risk avoidance (including discontinuation or non-initiation of activities),
- Risk mitigation, by reducing the likelihood or impact of risk events,
- Risk transfer, through contractual arrangements or insurance mechanisms,
- Risk acceptance, where the risk is tolerated due to limited ability to influence it or where mitigation costs are disproportionate to the potential benefit.

For the measurement of operational risk, Elama uses earned premiums and the volume of technical provisions (the sum of premium provisions and claims provisions) under the Solvency II framework. Elama considers operational risk to be adequately captured by the operational risk module of the standard formula.

Elama's objective is to continuously develop its risk culture so that all employees promptly disclose incidents and proactively report and share information on potential risks.

In 2025, no material operational risk incidents occurred at Elama.

C.6 Other material risks

Strategic risks

A strategic risk arises in situations where the company's chosen business direction, its execution or its response to changes proves insufficient, resulting in an inability to adapt to a changing operating environment.

The materialisation of strategic risk leads to losses when changes in the economic environment occur at a faster pace or with greater magnitude than the company has been able to anticipate and adapt to. Such risk primarily manifests in situations where competitive conditions, technological developments, the regulatory framework or customer expectations change, and Elama is unable to incorporate these developments into its operations in a timely manner. Strategic risk may also materialise if business profitability deteriorates and Elama fails to adjust its business direction or priorities accordingly.

During 2025, Elama identified the following key indicators of increasing strategic risk:

- changes in the domestic economic environment, including shifts in national priorities and rising energy prices,
- changes in the geopolitical environment and increasing political uncertainty,
- demographic changes, including continued population ageing,
- regulatory changes, including an unexpected increase in regulatory requirements and reporting obligations.

Elama's Management Board and Supervisory Board have developed a business strategy based on an assessment of the economic environment, competitive landscape, and potential future developments in the insurance sector. Strategic risk is mitigated through a moderate growth strategy and through close monitoring of the implementation of the strategic business plan.

Reputational risk

Reputational risk refers to the possibility that adverse attention directed at the company's activities, governance practices or decisions — regardless of whether the information is accurate — may erode the confidence of customers, business partners and supervisory authorities in Elama. The emergence of reputational risk is often linked to the materialisation of other risk types, such as operational disruptions, failure of strategic decisions or issues arising from counterparties. Consequently, reputational threats are primarily addressed through the monitoring and management of other risk categories rather than as a separate quantitative risk metric.

Reputational risk may be triggered by Elama's own actions or inaction, as well as by employee conduct or the activities of third parties. As reputation is strongly influenced by transparency, response speed and the ability to consistently meet stakeholder expectations, its safeguarding relies heavily on effective communication, well-defined and properly functioning internal processes and clear accountability mechanisms. Systematic management of service quality, conduct standards and customer experience therefore constitutes a central measure for preventing and controlling reputational risk.

Key factors that may affect Elama's reputation include defamation, widespread negative media coverage related to a major insurance claim event or customer attrition caused by a decline in service quality following the departure of key personnel. Reputational risk primarily impacts insurance risk and operational risk.

Elama mitigates reputational risk by strictly operating within the lines of insurance business for which it holds valid licences and by consistently applying a control framework based on the three lines of defence model. The business environment is continuously monitored, reputable and reliable partners are used and regular compliance checks are performed. In addition, transparent communication with customers, partners and supervisory authorities contributes to the prevention of reputational damage. Elama also maintains crisis management readiness to ensure a rapid and coordinated response in the event of potential reputational incidents.

C.7 Any other information

Catastrophe risk

The accumulation of risk within catastrophe risk determines the extent to which a single event (or a series of events) may significantly affect an insurer's obligations, particularly where multiple similar insurance contracts collectively give rise to a large aggregated exposure. For example, natural catastrophes occurring in a specific geographical area may simultaneously threaten all insured assets located therein.

The vast majority of Elama's insured objects are located in Estonia, where, in Elama's assessment, high-severity natural catastrophes or man-made disasters occur infrequently. A substantial share of the insurance portfolio consists of motor third-party liability insurance, which is a form of liability insurance and therefore does not involve direct property damage from natural perils. For other lines of business, risk underwriting, mitigation and avoidance take into account the possibility that high-severity insured events with large sums insured may occur simultaneously.

Stress testing

Elama assesses risks both quantitatively and qualitatively in accordance with their nature, using a range of stress tests and scenario-based analyses. This approach enables an assessment of how Elama's risk exposure and capital position would evolve under adverse but plausible conditions, and which risks may prove to be the most material.

A key component of the assessment framework is the regular Own Risk and Solvency Assessment (ORSA), which evaluates whether Elama's capital position would remain sufficient even under adverse business or financial market developments. Sensitivity analysis is used to determine the impact of changes in key input parameters on profit, the balance sheet and solvency capital. Stress testing is applied to project future solvency positions and to calculate how the SCR (Solvency Capital Requirement), MCR (Minimum Capital Requirement) and own funds would evolve under different stress scenarios. The results demonstrate how sensitive Elama's solvency position is to changes in key risk drivers and their combinations and how selected stress scenarios may affect regulatory capital thresholds. This process provides a comprehensive view of potential future scenarios and their impact on capital requirements and solvency.

In addition, the analysis supports management decision-making by enabling early identification of areas where risk mitigation may need to be strengthened or strategic priorities adjusted.

The table on the next page illustrates the impact of risk parameters on the company's net profit and equity. Each parameter is assessed individually, assuming all other variables remain unchanged. From Elama's perspective, key indicators include claims and benefits, which directly affect net profit. Profit is also influenced by various cost components, such as administrative expenses, acquisition costs and other operating expenses. A 1% increase in incurred claims would reduce Elama's profit by 24.9% and decrease equity by 0.8%. A 5% increase in fixed costs would reduce profit by 68.2% and equity by 2.1%.

Elama has no reason to expect a drastic short-term increase in claims and benefits without a corresponding significant growth in written premiums. The impact of liabilities on equity is of particular importance. Elama's largest liabilities are insurance contract provisions, supplemented by obligations arising from insurance operations, reinsurance agreements and other liabilities. Elama considers a sudden and substantial increase in insurance contract provisions to be unlikely.

As of 31.12.2025		**Before reinsurance**			**After reinsurance**		
Parameter	**Change in parameter**	**Impact (EUR)**	**Impact on outcome (%)**	**Impact on equity (%)**	**Impact (EUR)**	**Impact on outcome (%)**	**Impact on equity (%)**
Damages incurred	1%	-49 885	-24,9%	-0,8%	-40 427	-20,2%	-0,6%
	-1%	49 885	24,9%	0,8%	40 427	20,2%	0,6%
Change in the inflation rate	0,5 pp	-24 533	-12,3%	-0,4%	-17 205	-8,6%	-0,3%
	-0,5pp	24 299	12,1%	0,4%	15 993	8,0%	0,3%
Increase in fixed costs	5%	-136 507	-68,2%	-2,1%	-136 507	-68,2%	-2,1%
	-5%	136 507	68,2%	2,1%	136 507	68,2%	2,1%

Elama also monitors sensitivity to changes in interest rates, which is characterized by the table below:

		31.12.2025		**31.12.2024**	
	Change in interest rates	**Impact on the outcome**	**Impact on equity**	**Impact on the outcome**	**Impact on equity**
Insurance and reinsurance contracts	+50pp	4.6%	0.1%	63.3%	7.3%
Debt instruments	+50pp	-58.3%	-1.8%	-16.5%	-1.8%
Insurance and reinsurance contracts	-50pp	-4.6%	-0.1%	-71.3%	-8.3%
Debt instruments	-50pp	61.4%	1.9%	18.1%	2.1%

D. Valuation for Solvency Purposes

When valuing assets, technical provisions and other liabilities for solvency purposes, Elama Solvency II follows the principles of Directive 2009/138/EC. Elama's financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS EU). The following chapters present the differences between the bases, methods, main assumptions and valuation results used in IFRS EU and Solvency II.

In assessing solvency, Elama did not use the volatility adjustment, the transitional risk-free interest rate curve or the transitional deduction referred to in Articles 77d, 308c, 308d of Directive 2009/138/EC.

In the valuation of assets and liabilities, it has been assumed that Elama's operations will be continuous.

D.1 Assets

In accordance with Article 75 of Directive 2009/138/EC, assets are valued at a value at which they can be exchanged in a transaction between knowledgeable, interested and independent parties. The value of assets according to the 2025 Annual Report (IFRS 17) and Solvency II, together with a description of the method used to assess solvency, is presented in the table below:

Asset	31.12.2025 Solvency II balance sheet	31.12.2025 AR balance sheet	Difference from the annual report
Intangible fixed assets	0	646 083	- 646 083
Property, plant and equipment for own use	0	234 701	- 234 701
Financial investments	11 620 243	11 613 622	6 621
Receivables from insurance business	826 999	262 331	564 668
Other receivables and prepayments	436 558	102 810	333 748
Reinsurance assets	8 892 916	4 709 344	4 183 572
Cash and cash equivalents	3 547 279	3 547 279	0
TOTAL	**25 323 994**	**21 116 169**	**4 207 825**

Asset category	Solvency II framework	Comparison with IFRS EU valuation principles
Intangible fixed assets	Intangible assets, other than goodwill, are recognised under Solvency II at a non-zero value only if they can be sold separately from other assets and the insurance and reinsurance undertaking can prove that the same or similar assets have the same value in active markets.	In the annual report, intangible fixed assets are recorded at acquisition cost with straight-line depreciation, but the corresponding value in the Solvency II balance sheet is 0.
Property, plant and equipment for own use	Only tangible assets in one's own use are shown.	The IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC.
Financial investments	The Solvency II framework provides for the recognition of financial investments at a discounted basis with interest.	Financial investments in the IFRS EU balance sheet Can be recognised using several methods. The company uses both the amortised acquisition cost method and the methodology for recording financial investments at fair value through the income statement.
Receivables from insurance activities	Receivables from insurance activities are recognised adjusted for improbable claims.	IFRS EU's fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, but are shown as one of the components of provisions for insurance contracts.
Other Requirements and Prepayments	Other receivables and advances are recognised adjusted for improbable receivables.	IFRS EU's fair value principles are considered to be compliant with Article 75 of Directive 2009/138/EC, non-own-use property, plant and equipment claims are shown as other assets in the SII framework.
Reinsurance assets	Article 81 of Directive 2009/138/EC lays down rules for the amounts to be recovered from the reinsurance.	The IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, but are shown as one of the components of reinsurance assets.
Cash and cash equivalents	Cash and cash equivalents are recognised at fair value. Money and cash equivalents denominated in foreign currencies are converted using the exchange rate of the European Central Bank valid on the balance sheet date.	The IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC.

D.2 Technical provisions

The methodology for calculating Solvency II technical provisions is based on the requirements set out in the Insurance Activities Act and the guidelines issued by the Estonian Financial Supervision Authority ("Guidelines on the Assessment of Technical Provisions"), which in turn are derived from the following:

- Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II Directive);
- Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II).

The amount of technical provisions is equal to the sum of the best estimate of the insurer's insurance obligations arising from insurance contracts and the risk margin. The best estimate and the risk margin are calculated separately. The best estimate is calculated on a gross basis, without deduction for reinsurance. The calculation principles for the best estimate have been developed separately for the following technical provisions:

- premium provision,
- RBNS provision – provision for reported but not settled claims,

- IBNR provision – provision for incurred but not reported claims,
- claims handling expense provision.

According to the homogeneity of risks, insurance lines of business are segmented as follows:
- health insurance (in the annual report, classified as travel insurance);
- motor vehicle liability insurance, including:
    - motor third-party liability insurance (in the annual report, classified as motor liability insurance),
    - carrier's liability insurance (in the annual report, classified as land vehicle carrier's liability insurance),
    - motor vehicle insurance (in the annual report, classified as land motor vehicle insurance),
    - fire and other property damage insurance (in the annual report, classified as property insurance),
    - marine, aviation and transport insurance (in the annual report, classified as goods in transit insurance),
    - financial loss insurance (in the annual report, classified as other insurance lines),
    - annuities arising from non-life insurance contracts and related to obligations arising from insurance contracts (excluding obligations arising from health insurance contracts), hereinafter referred to as motor liability annuities (included in motor liability insurance in the annual report).

Technical provisions are calculated separately for each segmented line of business; accordingly, provisions for motor liability insurance and carrier's liability insurance are also calculated separately. The methodology and assumptions used for the valuation of technical provisions depend on the specific line of business and the nature of the underlying risks. Accordingly, actuarial methods and permissible simplifications under applicable legislation are selected for the valuation of technical provisions. The appropriateness of the methods, assumptions and bases used for technical provisions is validated annually. Compared to the previous reporting period, no material changes have been made to the assumptions and methods used in the calculation of technical provisions.

The main difference between Solvency II technical provisions and technical provisions calculated under IFRS 17 lies in the fact that IFRS 17 does not include a risk margin (instead, a risk adjustment is applied). Additional differences arise in the treatment of the premium provision, claims handling expenses, and discounting. The objective of IFRS 17 is to provide investors and stakeholders with reliable financial information about insurance contracts, whereas the objective of Solvency II is to ensure the insurer's solvency and protect policyholders through prudent valuation of liabilities.

The amounts of Solvency II technical provisions as at 31.12.2025, as well as the differences between the valuation methodologies used in the financial statements and under Solvency II, are presented in the table below:

Type of insurance	Best estimate in gross amount	Risk Margin	Gross technical provisions	Share of reinsurance in technical provisions	IFRS 17 Value to Reserve	Gross liability difference
Medical expenses insurance	5 883	6 542	12 425	0	98 228	-85 803
Motor vehicle owner's liability insurance	9 497 498	171 916	9 669 413	5 210 075	11 744 567	-2 075 154
Land vehicle insurance	1 704 059	80 622	1 784 681	697 263	1 420 248	364 434
Fire and other property damage insurance	48 878	17 025	65 903	0	460 513	-394 609
Maritime, aviation and transport insurance	0	0	0	0	0	0
Motor third party liability insurance annuities	2 718 607	185 342	2 903 949	2 002 611	0	2 903 949
Miscellaneous financial loss insurance	30 469	62 334	92 803	0	90 603	2 200
Total	14 005 393	523 782	14 529 175	7 909 949	13 814 158	715 016

As homogeneous risk groups, the following risk classes are used:

- motor third-party liability insurance and motor vehicle owner's liability insurance,
- travel insurance,
- motor vehicle insurance,
- carrier liability insurance,
- property insurance,
- financial loss insurance.

The grouping of products for the calculation of technical provisions ensures the highest possible level of statistical reliability of the results. The segmentation is primarily based on the nature of claims and the expected claims development pattern. The same grouping is also used in IFRS-based claims calculations.

The purpose of claims provisions is to realistically reflect future obligations related to insurance events that have already occurred, taking into account both collective development patterns and individual large claims. When calculating claims provisions for motor third-party liability insurance, two types of claims are treated separately: traffic pensions (annuities) and other claims. This distinction is appropriate due to differences in reporting and payment patterns between annuities and other claims.

As a general principle, Solvency II requires liabilities to be segmented into at least lines of business in order to calculate technical provisions. Elama applies the following mapping of products into lines of business:

Business line	**SPCI Product Group**
Medical expenses insurance	Travel insurance
Income Loss Insurance	-
Motor vehicle owner's liability insurance	Motor third party liability insurance
Land Vehicle Insurance	Vehicle Insurance
Fire and other property damage insurance	Property insurance
General liability insurance	-
Other financial losses	Financial non-life insurance

Under the Solvency II framework, premium provisions are determined as Best Estimate cash flows, which include all expected future inflows and outflows. The estimate is based on realistic assumptions and is discounted using the risk-free interest rates published by the European Insurance and Occupational Pensions Authority (EIOPA). In addition, a Risk Margin is added, reflecting the cost of capital that a market participant would require when assuming the obligation. In projecting future cash flows, SPCI takes into account that:

- cash flows should be calculated separately on a gross basis from amounts recoverable under reinsurance contracts,
- cash flows should reflect the full duration of existing insurance contracts and incorporate policyholder behaviour and management actions,
- all inflows (e.g. premiums) and outflows (e.g. claims payments and all expenses) must be taken into account.

The Best Estimate corresponds to the probability-weighted average of future cash flows, discounted using the appropriate risk-free yield curve. Technical provisions based on the Best Estimate are calculated within Elama under the following four groups:

- Premium Provision (PP) – The premium provision is calculated for all lines of business based on the present value of expected future net cash flows arising from existing insurance contracts. In estimating expected cash flows, assumptions are made regarding future loss ratios, expense ratios, lapse rates, loss development patterns, reinsurance effects, and other relevant parameters. The calculation also reflects the possibility that policyholders may exercise early termination options, in which case unearned premiums are refunded;

- Claims Provision (excluding annuities under motor third-party liability) – This provision represents the net present value of future claim payments and associated claims handling expenses for losses incurred prior to the reporting date. The ultimate claim cost (net of salvage and subrogation recoveries) is estimated using the chain-ladder method. After estimating ultimate losses by accident quarter, further assumptions are applied regarding claims handling expenses, reinsurance recoveries, and payment patterns to derive the final claims provision. Cash flows are discounted using the risk-free interest rate curve. The main difference compared to IFRS methodology lies in the explicit inclusion of salvage and subrogation and the discounting approach;
- Reported Motor Third-Party Liability Annuities – These provisions are calculated through a direct projection of expected annuity payments, taking into account indexation, other income components, and mortality assumptions. The resulting cash flows are discounted using the risk-free interest rate. The methodology is consistent with IFRS valuation principles;
- IBNR (Incurred But Not Reported) Motor Third-Party Liability Annuities – These are estimated by analysing the average annuity size and the number of unreported annuity claims. The Solvency II methodology aligns with IFRS practice, incorporating estimates for the volume of unreported annuities.

According to regulatory requirements, liabilities are recognised only within the contract boundary. For most contracts, the contract boundary is defined by the contract expiry date, except for contracts where Elama has the unilateral right to terminate or amend the contract terms. Under IFRS principles, the premium provision is measured on a gross premium basis, i.e. in line with earned premium instalments, and does not take into account future instalments of existing contracts that have not yet been recognised as gross written premiums. Under Solvency II, the calculation of the premium provision includes all future cash flows within the contract boundary, i.e. all instalments arising from in-force contracts.

Assumptions are selected using actuarial expert judgement to best reflect expected future experience.

Lapse rate assumptions are based on historical data.

Paid claims and incurred loss development factors are derived from the company's own experience and expert judgement. Loss development factors are calculated using triangle-based methods, adjusted for recoveries and excluding annuity-type motor claims (motor third-party liability annuities).

Recovery rate assumptions are based on historical information. Actuarial expert judgement is applied to select assumptions that are expected to best reflect future experience.

The risk margin is designed to ensure that technical provisions correspond to the amount that would be required by an undertaking taking over and fulfilling the insurance obligations. The risk margin is calculated using the cost-of-capital approach. The future Solvency Capital Requirement (SCR) for the existing insurance portfolio is projected by SCR risk module. Based on the resulting SCR, the present value of future capital costs is calculated using the Solvency II prescribed cost-of-capital rate. Elama has not used simplified approaches within the meaning of Article 82 of the Solvency II Directive, nor encountered situations where data limitations would have prevented the use of standard actuarial techniques.

The main risk drivers that may materially affect the level of technical provisions are:

- claims development may significantly deviate from expectations;
- the ultimate loss ratio may materially differ from the assumed loss ratio.

Sensitivity tests have been performed for the following risk factors:

	Provision of insurance premiums	Loss provision
Solvency II value at 31.12.2025	**3 197 587**	**10 807 806**
Effect of the premise:		
loss ratio +5%	306 803	0
loss ratio -5%	-306 803	0
increase in damages +10%	0	777 309
reduction of losses -10%	0	-777 309

The values of technical provisions calculated according to the requirements of Solvency II and IFRS are presented in the table below:

	Solvency II	IFRS	Difference
Technical provisions - non-life insurance	11 625 226	13 937 036	-2 311 810
Technical provisions - non-life insurance (excluding health insurance)	11 612 801	13 838 807	-2 226 007
Technical provisions calculated as a whole	0	-	
Best Estimate	11 280 904	-	
Risk margin	331 897	-	
Technical Provisions - NSLT Health Insurance	12 425	98 228	-85 803
Technical provisions calculated as a whole	0	-	
Best Estimate	5 883	-	
Risk margin	6 542	-	
Technical provisions - life insurance (except unit-linked life insurance)	2 903 949	0	2 903 949
Technical provisions - life insurance (except unit-linked life insurance)	2 903 949	0	2 903 949
Technical provisions calculated as a whole	0	-	
Best Estimate	2 718 607	-	
Risk margin	185 342	-	

	Solvency II	IFRS
Recoverables from reinsurance contracts	**7 909 949**	**4 709 344**
Non-life insurance and NSLT health insurance	**5 907 338**	**2 706 732**
Non-life insurance, except health insurance	5 907 338	2 706 732
NSLT Health Insurance	0	0
Life insurance and SLT health insurance (excluding health insurance and unit-linked life insurance)	**2 002 611**	**2 002 611**
SLT Health Insurance	0	0
Life insurance (except health insurance and unit-linked life insurance)	2 002 611	2 002 611

The methodology for calculating technical provisions differs based on the principles used in the annual report and Solvency II. The table below summarises the main reasons for the differences in the values of technical provisions:

Principles of Solvency II	Principles used in the annual report
Premiums are calculated as the net present value of the current portfolio cash flow forecasts. In this way, the future profit of the current contracts is reflected.	The calculation of the future premium liability is based on: - The LRC is calculated on the basis of the insurance premiums received and the proportion of the risk assumed. - acquisition costs.
The best estimate of Solvency II losses has been calculated similarly to the liabilities in the annual report, but with the following changes: - Recourse payments and residual assets are taken into account in the damage triangles. Therefore, a negative loss provision is allowed in some loss periods. - different damage ratios and damage development factors have been used. - Discounting is used to calculate the cash flow of losses. Different discount curves are used to recognise provisions for motor vehicle pensions.	When calculating the liability for past losses, known but unreported losses (RBNS), claims handling costs to be paid out in the future, and past but unreported losses (IBNR) are taken into account. According to IFRS17, liabilities for losses must be assessed on the basis of cash flows. Elama uses cash flow discounting if the estimated payout period is longer than one year. Thus, the calculation of the liability is based on: - Losses paid and incurred – all losses for which an event has taken place and payments have been made or a provision has been made (RBNS), - income from the disposal of residual assets – expected income from the sale of vehicles, - recourse amounts received - all possible repayments to compensate for claims - claims handling costs – all costs related to the handling of losses.
In addition to the best estimate of provisions, a risk margin has been calculated.	In addition to the best estimate of provisions, a risk adjustment has been calculated.

The share of reinsurance in technical provisions by business line is shown in the table below:

	Provision for insurance premiums (best estimate)	**Loss provision (best estimate. NSLT Health Insurance)**	**Loss provision (best estimate. SUT Health Insurance)**	**Total**
Medical expenses insurance	-	-	-	-
Motor vehicle owner's liability insurance	951 831	4 259 249	2 002 611	8 411 133
Land Vehicle Insurance	520 771	176 492	-	179 372
Fire and other property damage insurance	-	-	-	-
Maritime, aviation and transport insurance	-	-	-	-
Motor third party liability insurance annuities	-	-	-	-
Financial loss insurance	-	-	-	-

The same methods and assumptions have been used to estimate the reinsurance part of technical provisions as for the calculation of the best estimate (gross) of technical provisions.

D.3 Other liabilities

Liabilities are measured on the assumption that the undertaking will continue as a going concern. Liabilities are recognised in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission pursuant to Regulation (EC) No 1606/2002. Where those standards permit the use of more than one valuation method, only those methods that are consistent with Article 75 of Directive 2009/138/EC are applied.

In accordance with Article 75 of Directive 2009/138/EC, liabilities are valued at the amount for which they could be transferred or settled in an arm's length transaction between knowledgeable, willing and independent parties.

Under the Solvency II classification, other liabilities comprise all liabilities that are not classified under the aforementioned liability categories (including technical provisions). This includes, for example, tax liabilities, payables to suppliers, and amounts due to employees, among others. Other liabilities as at 31 December 2025, together with a description of the valuation methodology used for Solvency II purposes, are presented in the table below:

Liability	Solvency II	IFRS	Difference	Solvency II framework	Comparison with IFRS Valuation Principles
Other liabilities	647 459	695 406	-47 947	Liabilities from insurance activities are recognised at their nominal value, i.e. the amount payable	IFRS EU fair value principles are considered to be in accordance with Article 75 of Directive 2009/138/EC, but are shown as one component of insurance contracts as a liability

D.4 Alternative methods for valuation

Elama does not use alternative valuation methods for the valuation of assets and liabilities when calculating solvency.

D.5 Any other information

Elama has no other important information to add.

E. Capital Management

The objective of capital management is to ensure the sustainability and stability of Elama, thereby safeguarding the interests of policyholders and shareholders. Capital management is based on the management of Elama's assets, liabilities, and the risks associated with them, and regularly assesses compliance with the capital requirements set out in the Insurance Activities Act.

Within the Own Risk and Solvency Assessment (ORSA), capital management objectives and principles are also defined. Based on the overall business strategy and ongoing business objectives, Elama prepares a three-year business plan in accordance with its ORSA policy. The ORSA process provides an overview of all risks material to the implementation of the strategy and the corresponding (future) capital requirements.

Elama's capital management strategy is defined within the planning process, as described in the business plan. Capital management covers the assessment of capital needs over a three-year horizon from both regulatory and internal (economic) capital requirement perspective:

- Capital position. As at 31 December 2025, Elama holds only Tier 1 own funds. The ORSA process identified that the Solvency Capital Requirement (SCR) is expected to increase in the future, while the ratio of own funds to SCR is expected to decrease over the next three years, primarily due to business growth, which is in line with Elama's strategic business plan.
- Internal risk-based capital requirements. Elama has defined risk tolerance limits. As these limits are approached, risk mitigation measures are applied to improve the outcome; if these measures prove insufficient, the capital management plan is activated. Elama has not identified risks that could materially threaten the breach of risk tolerance limits or that would be inconsistent with the strategic business plan.

E.1 Own funds

Elama's Solvency II own funds consist solely of capital eligible as Tier 1 under the Solvency II criteria:
- paid-in ordinary share capital,
- share premium,
- reconciliation reserve.

Elama's capitalisation complies with stringent financial stability requirements. To accurately quantify risks arising from its business activities, risk metrics and a capital model have been implemented, which mathematically incorporate the diversification benefit of risk pooling. This analytical framework is fully integrated into the Own Risk and Solvency Assessment (ORSA) process, which is continuously refined in line with developments in the operating environment and best practices in the sector.

In determining the overall solvency capital requirement, risk drivers that fall outside the scope of the standard capital model are also taken into account. To ensure this, annual sensitivity and scenario analyses are performed, with a projection horizon aligned with Elama's three-year strategic business plan. In order to obtain a reliable input for assessing overall capital needs, stress tests are conducted under various scenarios. The entire stress-testing methodology and analytical process are governed by the established ORSA policy.

Elama manages its capital requirements and capital allocation efficiency in an integrated manner, assessing them in proportion to profitability targets and its cost base.

Elama has defined minimum acceptable levels of own funds and a risk tolerance threshold. If own funds decline to the level of the tolerance limit or breach it, Elama raises external funds. If ORSA projections indicate that own funds may decline to the tolerance limit or below, the Management Board prepares an action plan to prevent such a situation from materialising.

Notification of the Financial Supervision Authority in the event of deterioration in the financial position is carried out in accordance with the applicable legal requirements.

No transitional measures or regulatory relief provisions are applied to Elama's own funds structure. Elama's capital structure is strong and simple, consisting exclusively of basic own funds — there are no ancillary own funds or subordinated liabilities. Furthermore, no regulatory deductions are applied from the own funds base, and no material restrictions exist that could impair the immediate availability or unrestricted transferability of capital.

There were no changes in the structure and quality of own funds in 2025. As of 31.12.2025, Elama has 9,040,855 euros in level 1 own funds (8,204,414 euros as of 31.12.2024). Own funds have increased compared to the previous reporting period due to the profit earned in the reporting year.

Own funds	31.12.2025 Solvency II	31.12.2024 Solvency II	Change during the reporting period	Characteristics of own resources
Share of assets exceeding liabilities, which includes the following points:				
Share capital	4 012 392	4 012 392	0	Share capital paid up by the shareholders. Can be used to cover losses if necessary.
Share premium	1 619	1 619	0	The difference between the nominal value of a share and the issue price. Can be used to cover losses if necessary.
Reconciliation reserve	5 026 845	4 190 403	836 442	All other equity items, except share capital and share premium, including retained earnings recognised in the annual report, profit/loss for the reporting year, and the difference between the measurement methods in the annual report and Solvency II. Can be used to cover losses if necessary.
Total	9 040 855	8 204 414	836 442	

Elama has sufficient own funds to cover its regulatory capital requirements. As at 31 December 2025, the Solvency Capital Requirement (SCR) was covered at 185% by eligible own funds, while the Minimum Capital Requirement (MCR) was covered at 226%.

	Value 31.12.2025
Assets at market value (MVA)	25 323 994
Liabilities at market value (MVL)	16 283 139
Own funds (OF)	9 040 855
Solvency Capital Requirement (SCR)	4 878 880
Minimum Capital Requirement (MCR)	4 000 000
Solvency ratio (OF/SCR)	185%
Tier 1 Own funds	9 040 855
Coverage of the Minimum Capital Requirement from Tier 1 Own funds	226%
Coverage of the Solvency Capital Requirement from Tier 1 Own Funds	185%

The amount of own funds under Solvency II is EUR 2,557,127 higher than the level of equity reported in the financial statements:

Own funds	31.12.2025 Solvency II	31.12.2025 Annual report	Difference in value from the AR	Comparison with IFRS EU valuation principles
Share capital	4 012 392	4 012 392	0	Own funds item and value match
Share premium	1 619	1 619	0	Own funds item and value match
Reconciliation reserve	5 026 845	2 469 717	2 557 128	In both cases, the retained earnings of the annual report and the loss for the financial year are included, but according to Solvency II, the difference between the annual report and the Solvency II measurement methods is also included
TOTAL	9 040 855	6 483 728	2 557 127	

The difference in own funds corresponds exactly to the extent to which the Solvency II valuation methodologies cause the Solvency II balance sheet to differ from the balance sheet presented in the financial statements:

	Solvency II	Annual Report	Difference
Total assets	**25 323 994**	**21 116 169**	**4 207 825**
Except for reinsurance assets	16 431 078	16 406 825	24 253
Reinsurance assets	8 892 916	4 709 344	4 183 572
Liabilities	**16 283 139**	**14 632 441**	**1 650 698**
excl. technical provisions	1 753 964	695 406	1 058 558
technical provisions	14 529 175	13 937 036	592 139
Own funds	**9 040 855**	**6 483 728**	**2 557 127**

Due to differences in valuation methodologies, both the value of technical provisions and reinsurance assets differ between the Solvency II balance sheet and the financial statements.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

According to the law, Elama must ensure at all times that it has sufficient own funds to meet both the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR). The SCR corresponds to the risk-based value of Elama's own funds, taking into account all quantifiable risks to which the insurer may be exposed. The MCR corresponds to the minimum level of eligible basic own funds below which the risk level for policyholders and beneficiaries would be considered unacceptably high if the insurer were allowed to continue its operations.

The levels of the Solvency Capital Requirement and Minimum Capital Requirement as at 31 December 2024 and 31 December 2025 are as follows:

Capital requirement	As of 31.12.2025	As of 31.12.2024	Change in the reporting period
Solvency Capital Requirement	4 878 880	4 080 423	798 457
Minimum Capital Requirement	4 000 000	4 000 000	0

The Solvency Capital Requirement (SCR) is measured separately for each of the following risk categories.

During 2025, non-life underwriting risk, counterparty default risk, health underwriting risk and operational risk increased, while market risk and life underwriting risk decreased.

The increase in non-life underwriting risk and operational risk is driven by business growth (an increase in the premium provision), which has also led to a higher level of claims provisions. The decrease in market risk capital requirement is attributable to diversification of the investment portfolio.

Risk category	**Solvency capital requirement**		**Change in the reporting period**
	31.12.2025	**31.12.2024**	
Market risk	1 645 842	1 795 707	-149 865
Counterparty default risk	534 503	463 686	70 817
Life underwriting risk	232 644	265 884	-33 240
Health underwriting risk	115 719	26 887	88 832
Non-life underwriting risk	3 228 265	2 407 950	820 315
Intangible asset risk	0	0	0
Operational risk	554 655	428 251	126 404
Diversification	-1 432 750	-1 307 941	124 809

For the calculation of capital requirements, Elama applies the standard formula prescribed by Directive 2009/138/EC across all risk categories. No undertaking-specific parameters are used in accordance with Article 104(7) of Directive 2009/138/EC. Simplifications are applied in the calculation of the Solvency Capital Requirement (SCR) for non-life underwriting risk. The Minimum Capital Requirement (MCR) corresponds to the higher of the absolute floor of own funds (4,000,000 euros for a non-life insurance undertaking) and the combined Minimum Capital Requirement.

The combined MCR is calculated using the following inputs:

- written premiums net of reinsurance,
- technical provisions net of reinsurance,
- the previously calculated SCR.

Elama calculates its MCR in accordance with the EIOPA-prescribed formula. As at 31 December 2025, Elama's Minimum Capital Requirement was as follows:

	31.12.2025	**31.12.2024**
Best Estimation Net Worth (Non-Negative), non-life	5 330 571	4 906 916
Net value of premiums for the last 12 months	13 996 856	8 089 497
Total linear MCR for non-life obligations	1 645 600	1 127 558
Best Estimation Net Worth (Non-Negative), life	715 995	779 054
Total linear MCR for life obligations	15 036	16 360
Total linear minimum capital requirement	**1 660 636**	**1 143 918**
Absolute floor of the MCR	4 000 000	4 000 000
Minimum Capital Requirement (MCR)	**4 000 000**	**4 000 000**
Eligible Own Funds for MCR coverage	9 040 855	8 204 413
MCR Coverage Ratio	226%	205%

The final Minimum Capital Requirement is equal to the linear Minimum Capital Requirement. During 2025, the linear Minimum Capital Requirement increased by 45%. As the linear Minimum Capital Requirement remains below the absolute floor of the MCR, Elama's Minimum Capital Requirement is therefore set at the absolute floor level.

In line with the increase in Solvency II eligible own funds, the ratio of eligible own funds to the Minimum Capital Requirement improved significantly in 2025.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Elama does not use the duration-based equity risk sub-module for the calculation of the Solvency Capital Requirement.

E.4 Differences between the standard formula and any internal model used

Elama does not use a partial or full internal model for the calculation of the solvency capital requirement. If Elama decides to use a methodology that differs from the standard formula, Elama shall apply for permission from the supervisory authority.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

Elama's Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR) must be met at all times. In the event of non-compliance with capital requirements, the supervisory authority is notified without delay, and measures are identified to restore the solvency position.

Elama is required to report all instances of MCR non-compliance and any significant non-compliance with the SCR, including the duration and maximum extent of each breach during the reporting period, an explanation of its cause and consequences, and details of any corrective measures taken, as well as an assessment of their impact.

In 2025, Elama complied with all regulatory and internal capital requirements.

E.6 Any other information

Elama has no other important information to add.

F. Appendices – Quantitative reports

All monetary amounts presented in the appendices are expressed in thousands of euros.

Appendix 1: S.02.01.02 Balance Sheet

					Solvency II value
					C0010
Assets				AR0009	
	Goodwill			R0010	-
	Deferred acquisition costs			R0020	-
	Intangible assets			R0030	
	Deferred tax assets			R0040	
	Pension benefit surplus			R0050	
	Property, plant & equipment held for own use			R0060	
	Investments (other than assets held for index-linked and unit-linked contracts)			R0070	12 121
		Property (other than for own use)		R0080	
		Holdings in related undertakings, including		R0090	
		Equities		R0100	
			Equities - listed	R0110	
			Equities - unlisted	R0120	914
		Bonds		R0130	8 997
			Government Bonds	R0140	1 515
			Corporate Bonds	R0150	7 483
			Structured notes	R0160	
			Collateralised securities	R0170	
		Collective Investments Undertakings		R0180	
		Derivatives		R0190	
		Deposits other than cash equivalents		R0200	1 999
		Other investments		R0210	
	Assets held for index-linked and unit-linked contracts			R0220	
	Loans and mortgages			R0230	
		Loans on policies		R0240	
		Loans and mortgages to individuals		R0250	
		Other loans and mortgages		R0260	
	Reinsurance recoverables from:			R0270	7 910
		Non-life and health similar to non-life		R0280	5 907
			Non-life excluding health	R0290	5 907
			Health similar to non-life	R0300	
		Life and health similar to life, excluding health and index-linked and unit-linked		R0310	2 003
			Health similar to life	R0320	
			Life excluding health and index-linked and unit-linked	R0330	2 003
		Life index-linked and unit-linked		R0340	
	Deposits to cedants			R0350	
	Insurance and intermediaries receivables			R0360	827
	Reinsurance receivables			R0370	983
	Receivables (trade, not insurance)			R0380	437
	Own shares (held directly)			R0390	
	Amounts due in respect of own fund items or initial fund called up but not yet paid in			R0400	
	Cash and cash equivalents			R0410	3 047
	Any other assets, not elsewhere shown			R0420	
	Total assets			R0500	25 324

					Solvency II value
					C0010
Liabilities					
	Technical provisions - non-life			R0510	11 625
		Technical provisions - non-life (excluding health)		R0520	11 613
			Technical provisions calculated as a whole	R0530	
			Best Estimate	R0540	11 281
			Risk margin	R0550	332
		Technical provisions - health (similar to non-life)		R0560	12
			Technical provisions calculated as a whole	R0570	
			Best Estimate	R0580	6
			Risk margin	R0590	7
	Technical provisions - life (excluding index-linked and unit-linked)			R0600	2 904
		Technical provisions - health (similar to life)		R0610	
			Technical provisions calculated as a whole	R0620	
			Best Estimate	R0630	
			Risk margin	R0640	
		Technical provisions - life (excluding health and index-linked and unit-linked)		R0650	2 904
			Technical provisions calculated as a whole	R0660	
			Best Estimate	R0670	2 719
			Risk margin	R0680	185
	Technical provisions - index-linked and unit-linked			R0690	
		Technical provisions calculated as a whole		R0700	
		Best Estimate		R0710	
		Risk margin		R0720	
	Other technical provisions			R0730	-
	Contingent liabilities			R0740	
	Provisions other than technical provisions			R0750	
	Pension benefit obligations			R0760	
	Deposits from reinsurers			R0770	
	Deferred tax liabilities			R0780	
	Derivatives			R0790	
	Debts owed to credit institutions			R0800	
		Debts owed to credit institutions resident domestically		ER0801	
		Debts owed to credit institutions resident in the euro area other than domestic		ER0802	
		Debts owed to credit institutions resident in rest of the world		ER0803	
	Financial liabilities other than debts owed to credit institutions			R0810	
		Debts owed to non-credit institutions		ER0811	
			Debts owed to non-credit institutions resident domestically	ER0812	
			Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813	
			Debts owed to non-credit institutions resident in rest of the world	ER0814	
		Other financial liabilities (debt securities issued)		ER0815	
	Insurance & intermediaries payables			R0820	15
	Reinsurance payables			R0830	1 092
	Payables (trade, not insurance)			R0840	647
	Subordinated liabilities			R0850	
		Non-negotiable instruments held by credit institutions resident domestically		ER0851	
		Non-negotiable instruments held by credit institutions resident in the euro area other than domestic		ER0852	
		Non-negotiable instruments held by credit institutions resident in rest of the world		ER0853	
		Non-negotiable instruments held by non-credit institutions resident domestically		ER0854	
		Non-negotiable instruments held by non-credit institutions resident in the euro area other than		ER0855	
		Non-negotiable instruments held by non-credit institutions resident in rest of the world		ER0856	
		Subordinated liabilities not in Basic Own Funds		R0860	
		Subordinated liabilities in Basic Own Funds		R0870	
	Any other liabilities, not elsewhere shown			R0880	
	Total liabilities			R0900	16 283
Excess of assets over liabilities				R1000	9 041

Appendix 2: S.05.01.02 Premiums, claims and expenses by line of business

				Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)											
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
				C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Premiums written			AR0109												
	Gross - Direct Business		R0110	402			5 385	3 874		209					1 793
	Gross - Proportional		R0120												
	Gross - Non-proportional		R0130	-	-	-	-	-	-	-	-	-	-	-	-
	Reinsurers' share		R0140				1 511	885							
	Net		R0200	402			3 874	2 989		209					1 793
Premiums earned			AR0209												
	Gross - Direct Business		R0210	316			5 898	2 546		42					1 237
	Gross - Proportional		R0220												
	Gross - Non-proportional		R0230	-	-	-	-	-	-	-	-	-	-	-	-
	Reinsurers' share		R0240				1 914	825							
	Net		R0300	316			3 984	1 721		42					1 237
Claims incurred			AR0309												
	Gross - Direct Business		R0310	19			1 844	2 179		61					31
	Gross - Proportional		R0320												
	Gross - Non-proportional		R0330	-	-	-	-	-	-	-	-	-	-	-	-
	Reinsurers' share		R0340				12	693							
	Net		R0400	19			1 832	1 486		61					31
Expenses incurred			R0550	186			2 574	1 117		97					382
	Administrative expenses		AR0609												
		Gross - Direct Business	R0610	114			1 730	592		81	-	-	-	-	135
		Gross - Proportional reinsurance accepted	R0620												
		Gross - Non-proportional reinsurance accepted	R0630	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0640												
		Net	R0700	114			1 730	592		81					135
	Investment management expenses		AR0709												
		Gross - Direct Business	R0710												
		Gross - Proportional reinsurance accepted	R0720												
		Gross - Non-proportional reinsurance accepted	R0730	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0740												
		Net	R0800												
	Claims management expenses		AR0809												
		Gross - Direct Business	R0810	17			435	102		5					14
		Gross - Proportional reinsurance accepted	R0820												
		Gross - Non-proportional reinsurance accepted	R0830	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0840												
		Net	R0900	17			435	102		5					14
	Acquisition expenses		AR0909												
		Gross - Direct Business	R0910	55			409	423		11					234
		Gross - Proportional reinsurance accepted	R0920												
		Gross - Non-proportional reinsurance accepted	R0930	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R0940												
		Net	R1000	55			409	423		11					234
	Overhead expenses		AR1009												
		Gross - Direct Business	R1010												
		Gross - Proportional reinsurance accepted	R1020												
		Gross - Non-proportional reinsurance accepted	R1030	-	-	-	-	-	-	-	-	-	-	-	-
		Reinsurers' share	R1040												
		Net	R1100												
Balance - other technical			R1210	-	-	-	-	-	-	-	-	-	-	-	-
Total technical expenses			R1300	-	-	-	-	-	-	-	-	-	-	-	-

				Line of Business for: accepted non-proportional				Total
				Health	Casualty	Marine, aviation, transport	Property	
				C0130	C0140	C0150	C0160	C0200
Premiums written			AR0109					
	Gross - Direct Business		R0110	-	-	-	-	11 662
	Gross - Proportional		R0120	-	-	-	-	
	Gross - Non-proportional		R0130					
	Reinsurers' share		R0140					2 396
	Net		R0200					9 267
Premiums earned			AR0209					
	Gross - Direct Business		R0210	-	-	-	-	10 039
	Gross - Proportional		R0220	-	-	-	-	
	Gross - Non-proportional		R0230					
	Reinsurers' share		R0240					2 739
	Net		R0300					7 300
Claims incurred			AR0309					
	Gross - Direct Business		R0310	-	-	-	-	4 134
	Gross - Proportional		R0320	-	-	-	-	
	Gross - Non-proportional		R0330					
	Reinsurers' share		R0340					705
	Net		R0400					3 429
Expenses incurred			R0550					4 357
	Administrative expenses		AR0609					
		Gross - Direct Business	R0610	-	-	-	-	2 652
		Gross - Proportional reinsurance accepted	R0620	-	-	-	-	
		Gross - Non-proportional reinsurance accepted	R0630					
		Reinsurers' share	R0640					
		Net	R0700					2 652
	Investment management expenses		AR0709					
		Gross - Direct Business	R0710	-	-	-	-	
		Gross - Proportional reinsurance accepted	R0720	-	-	-	-	
		Gross - Non-proportional reinsurance accepted	R0730					
		Reinsurers' share	R0740					
		Net	R0800					
	Claims management expenses		AR0809					
		Gross - Direct Business	R0810	-	-	-	-	573
		Gross - Proportional reinsurance accepted	R0820	-	-	-	-	
		Gross - Non-proportional reinsurance accepted	R0830					
		Reinsurers' share	R0840					
		Net	R0900					573
	Acquisition expenses		AR0909					
		Gross - Direct Business	R0910	-	-	-	-	1 132
		Gross - Proportional reinsurance accepted	R0920	-	-	-	-	
		Gross - Non-proportional reinsurance accepted	R0930					
		Reinsurers' share	R0940					
		Net	R1000					1 132
	Overhead expenses		AR1009					
		Gross - Direct Business	R1010	-	-	-	-	
		Gross - Proportional reinsurance accepted	R1020	-	-	-	-	
		Gross - Non-proportional reinsurance accepted	R1030					
		Reinsurers' share	R1040					
		Net	R1100					
Balance - other technical			R1210	-	-	-	-	
Total technical expenses			R1300	-	-	-	-	4 357

				Line of Business for: life insurance obligations						Life reinsurance		
				Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
				C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written												
	Gross		R1410									
	Reinsurers' share		R1420									
	Net		R1500									
Premiums earned												
	Gross		R1510									
	Reinsurers' share		R1520									
	Net		R1600									
Claims incurred												
	Gross		R1610						-230			-230
	Reinsurers' share		R1620						-249			-249
	Net		R1700						19			19
Expenses incurred			R1900						16			16
	Administrative expenses											
		Gross	R1910									
		Reinsurers' share	R1920									
		Net	R2000									
	Investment management expenses											
		Gross	R2010									
		Reinsurers' share	R2020									
		Net	R2100									
	Claims management expenses											
		Gross	R2110						16			16
		Reinsurers' share	R2120									
		Net	R2200						16			16
	Acquisition expenses											
		Gross	R2210									
		Reinsurers' share	R2220									
		Net	R2300									
	Overhead expenses											
		Gross	R2310									
		Reinsurers' share	R2320									
		Net	R2400									
Balance - other technical expenses/income			R2510	-	-	-	-	-	-	-	-	
Total technical expenses			R2600	-	-	-	-	-	-	-	-	16
Total amount of surrenders			R2700									

S.04.05.21 Premiums, claims and expenses by country

		Home country	Spain
		C0010	C0020
Premiums written (gross)			
Gross Written Premium (direct)	R0020	11 646	16
Gross Written Premium (proportional reinsurance)	R0021		
Gross Written Premium (non-proportional reinsurance)	R0022		
Premiums earned (gross)			
Gross Earned Premium (direct)	R0030	10 038	1
Gross Earned Premium (proportional reinsurance)	R0031		
Gross Earned Premium (non-proportional reinsurance)	R0032		
Claims incurred (gross)			
Claims incurred (direct)	R0040	4 134	
Claims incurred (proportional reinsurance)	R0041		
Claims incurred (non-proportional reinsurance)	R0042		
Expenses incurred (gross)			
Gross Expenses Incurred (direct)	R0050	4 357	
Gross Expenses Incurred (proportional reinsurance)	R0051		
Gross Expenses Incurred (non-proportional reinsurance)	R0052		

Appendix 3: S.12.01.02 Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010			-	-		-	-									-	-			
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020			-	-		-	-									-	-			
Technical provisions calculated as a sum of BE and RM																					
Best Estimate																					
Gross Best Estimate	R0030		-			-			2 719						2 719	-					
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040		-			-			2 003		-	-	-	-	2 003	-					
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050		-			-					-	-	-	-		-					
Recoverables from SPV before adjustment for expected losses	R0060		-			-					-	-	-	-		-					
Recoverables from Finite Re before adjustment for expected losses	R0070		-			-					-	-	-	-		-					
Total Recoverables from	R0080		-			-			2 003						2 003	-					
Best estimate minus	R0090		-			-			716		-	-	-	-	716	-					
Risk Margin	R0100			-	-		-	-	185						185		-	-			
Amount of the transitional on Technical Provisions																					
Technical Provisions calculated as a whole	R0110			-	-		-	-			-	-	-	-			-	-			
Best estimate	R0120		-			-					-	-	-	-		-					
Risk margin	R0130			-	-		-	-			-	-	-	-			-	-			
Technical provisions - total	R0200			-	-		-	-	2 904		-	-	-	-	2 904		-	-			

Appendix 4: S.17.01.02 Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Technical provisions calculated as a whole – Direct business	R0020									
Technical provisions calculated as a whole – Accepted proportional reinsurance business	R0030									
Technical provisions calculated as a whole – Accepted non-proportional reinsurance	R0040	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Premium provisions – Gross - Total	R0060	2			2 078	1 106		8		
Premium provisions – Gross - direct business	R0070	2			2 078	1 106		8		
Premium provisions – Gross - accepted proportional reinsurance business	R0080									
Premium provisions – Gross - accepted non-proportional reinsurance business	R0090	-	-	-	-	-	-	-	-	-
Premium provisions – Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100				952	521				
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110				952	521				
Recoverables from SPV before adjustment for expected losses	R0120									
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130									
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for	R0140				952	521				
Net Best Estimate of Premium Provisions	R0150	2			1 126	585		8		
Claims provisions										
Claims provisions – Gross - Total	R0160	4			7 420	598		41		
Claims provisions – Gross - direct business	R0170	4			7 420	598		41		
Claims provisions – Gross - accepted proportional reinsurance business	R0180									
Claims provisions – Gross - accepted non-proportional reinsurance business	R0190	-	-	-	-	-	-	-	-	-
Claims provisions – Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200				4 259	176				
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210				4 259					
Recoverables from SPV before adjustment for expected losses	R0220									
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230									
Total recoverable from reinsurance/SPV	R0240				4 258	176				
Net Best Estimate of Claims Provisions	R0250	4			3 162	422		41		
Total Best estimate - gross	R0260	6			9 497	1 704		49		
Total Best estimate - net	R0270	6			4 287	1 007		49		
Risk margin	R0280	7			172	81		17		
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320	12			9 669	1 785		66		
Recoverable from reinsurance contract/SPV and Finite Re after	R0330				5 210	697				
Technical provisions minus recoverables from reinsurance/SPV	R0340	12			4 459	1 087		66		

		Legal expenses insurance	Assistance	Miscellaneous financial loss	Accepted non-proportional reinsurance: Non-proportional health reinsurance	Accepted non-proportional reinsurance: Non-proportional casualty reinsurance	Accepted non-proportional reinsurance: Non-proportional marine, aviation and transport reinsurance	Accepted non-proportional reinsurance: Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Direct business	R0020				-	-	-	-	
Accepted proportional reinsurance business	R0030				-	-	-	-	
Accepted non-proportional reinsurance	R0040	-	-	-					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060			5					3 198
Gross - direct business	R0070			5	-	-	-	-	3 198
Gross - accepted proportional reinsurance business	R0080				-	-	-	-	
Gross - accepted non-proportional reinsurance business	R0090	-	-	-					
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100								1 473
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110								1 473
Recoverables from SPV before adjustment for expected losses	R0120								
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130								
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for	R0140								1 473
Net Best Estimate of Premium Provisions	R0150			5					1 725
Claims provisions									
Gross - Total	R0160			26					8 089
Gross - direct business	R0170			26	-	-	-	-	8 089
Gross - accepted proportional reinsurance business	R0180				-	-	-	-	
Gross - accepted non-proportional reinsurance business	R0190	-	-	-					
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200								4 436
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210								4 259
Recoverables from SPV before adjustment for expected losses	R0220								
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230								
Total recoverable from reinsurance/SPV	R0240								4 435
Net Best Estimate of Claims Provisions	R0250			26					3 654
Total Best estimate - gross	R0260			30					11 287
Total Best estimate - net	R0270			30					5 379
Risk margin	R0280			62					338
Amount of the transitional on Technical Provisions									
TP as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320			93					11 625
Recoverable from reinsurance contract/SPV and Finite Re after	R0330								5 907
Technical provisions minus recoverables from reinsurance/SPV	R0340			93					5 718

Appendix 5: S.19.01.21 Non-life Insurance Claims Total

Gross Claims Paid (non-cumulative, absolute amount)

Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Prior	R0100																72	72	72
N-14	R0110	2 277	779	94	22	1	0	8	0	0	0	0	0	0	0	19		19	3 201
N-13	R0120	3 290	996	134	45	42	0	0	1	1	1	0	0	1	0			0	4 510
N-12	R0130	2 624	1 313	213	29	-5	6	2	5	9	23	6	7	3				3	4 236
N-11	R0140	2 251	629	55	32	25	110	0	0	11	12	19	-27					-27	3 116
N-10	R0150	636	305	39	-7	1	0	0	0	0	0	0						0	973
N-9	R0160	2 188	885	140	22	14	1	0	0	0	-5							-5	3 243
N-8	R0170	3 045	976	140	45	22	4	4	4	-2								-2	4 237
N-7	R0180	3 373	1 402	82	32	28	27	24	11									11	4 978
N-6	R0190	4 176	1 572	85	41	176	49	26										26	6 125
N-5	R0200	3 304	817	293	108	164	94											94	4 781
N-4	R0210	3 010	1 001	62	57	1												1	4 131
N-3	R0220	3 545	1 789	260	38													38	5 632
N-2	R0230	3 611	1 149	156														156	4 915
N-1	R0240	3 089	2 575															2 575	5 665
N	R0250	2 510																2 510	2 510
																Total	R0260	5 468	62 325

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	In Current year
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170
Prior	R0100																1 745	2 757
N-14	R0110	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9		13
N-13	R0120	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
N-12	R0130	0	0	0	0	0	0	0	0	0	0	0	0	117				163
N-11	R0140	0	0	0	0	0	0	0	0	0	0	0	0					0
N-10	R0150	0	0	0	0	0	0	0	0	0	0	0						0
N-9	R0160	0	0	0	0	0	0	0	0	0	0							0
N-8	R0170	0	0	0	0	0	0	0	0	291								362
N-7	R0180	0	0	0	0	0	0	0	481									583
N-6	R0190	0	0	0	0	0	0	832										980
N-5	R0200	0	0	0	0	0	902											1 036
N-4	R0210	0	0	0	0	17												19
N-3	R0220	0	0	0	233													254
N-2	R0230	0	0	274														292
N-1	R0240	0	353															368
N	R0250	1 228																1 261
																Total	R0260	8 089

Appendix 6: S.23.01.01 Own Funds

			Total	Tier 1 - unrestricte	Tier 1 - restricted	Tier 2	Tier 3
			C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35							
	Ordinary share capital (gross of own shares)	R0010	4 012	4 012	-		-
	Share premium account related to ordinary share capital	R0030	2	2	-		-
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040			-		-
	Subordinated mutual member accounts	R0050		-			
	Surplus funds	R0070			-	-	-
	Preference shares	R0090		-			
	Share premium account related to preference shares	R0110		-			
	Reconciliation reserve	R0130	5 027	5 027	-	-	-
	Subordinated liabilities	R0140		-			
	An amount equal to the value of net deferred tax assets	R0160		-	-	-	
	Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds							
	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220		-	-	-	-
Deductions							
	Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions		R0290	9 041	9 041			
Ancillary own funds							
	Unpaid and uncalled ordinary share capital callable on demand	R0300		-	-		-
	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310		-	-		-
	Unpaid and uncalled preference shares callable on demand	R0320		-	-		
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330		-	-		
	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340		-	-		-
	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350		-	-		
	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360		-	-		-
	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370		-	-		
	Other ancillary own funds	R0390		-	-		
Total ancillary own funds		R0400		-	-		
Available and eligible own funds							
	Total available own funds to meet the SCR	R0500	9 041	9 041			
	Total available own funds to meet the MCR	R0510	9 041	9 041			-
	Total eligible own funds to meet the SCR	R0540	9 041	9 041			
	Total eligible own funds to meet the MCR	R0550	9 041	9 041			-
SCR		R0580	4 879	-	-	-	-
MCR		R0600	4 000	-	-	-	-
Ratio of Eligible own funds to SCR		R0620		-	-	-	-
Ratio of Eligible own funds to MCR		R0640		-	-	-	-

			Value
			C0060
Reconciliation reserve			
	Excess of assets over liabilities	R0700	9 041
	Own shares (held directly and indirectly)	R0710	
	Foreseeable dividends, distributions and charges	R0720	
	Other basic own fund items	R0730	4 014
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve		R0760	5 027
Expected profits			
	Expected profits included in future premiums (EPIFP) - Life business	R0770	
	Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)		R0790	

Appendix 7: S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

Basic Solvency Capital Requirement		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	1 646	
Counterparty default risk	R0020	535	
Life underwriting risk	R0030	233	
Health underwriting risk	R0040	116	
Non-life underwriting risk	R0050	3 228	
Diversification	R0060	-1 433	
Intangible asset risk	R0070		
Basic Solvency Capital Requirement	R0100	4 324	

Calculation of Solvency Capital Requirement			Value
			C0100
Adjustment due to RFF/MAP nSCR aggregation		R0120	
Operational risk		R0130	555
Loss-absorbing capacity of technical provisions		R0140	
Loss-absorbing capacity of deferred taxes		R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC		R0160	
Solvency Capital Requirement excluding capital add-on		R0200	4 879
Capital add-ons already set		R0210	
	of which, capital add-ons already set - Article 37 (1) Type a	R0211	
	of which, capital add-ons already set - Article 37 (1) Type b	R0212	
	of which, capital add-ons already set - Article 37 (1) Type c	R0213	
	of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement		R0220	4 879
Other information on SCR			
	Capital requirement for duration-based equity risk sub-module	R0400	
	Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
	Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
	Diversification effects due to RFF nSCR aggregation for article 304	R0440	
	Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
	Net future discretionary benefits	R0460	

Appendix 8: S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	1 646

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	6	1 037
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	4 287	4 146
Other motor insurance and proportional reinsurance	R0060	1 007	4 804
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	49	1 975
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	30	2 034
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations		MCR components
		C0040
MCRL Result	R0200	15

Total capital at risk for all life (re)insurance obligations		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		-
Obligations with profit participation - future discretionary benefits	R0220		-
Index-linked and unit-linked insurance obligations	R0230		-
Other life (re)insurance and health (re)insurance obligations	R0240	716	-
Total capital at risk for all life (re)insurance obligations	R0250	-	

Overall MCR calculation		Value
		C0070
Linear MCR	R0300	1 661
SCR	R0310	4 879
MCR cap	R0320	2 195
MCR floor	R0330	1 661
Combined MCR	R0340	1 661
Absolute floor of the MCR	R0350	4 000
Minimum Capital Requirement	R0400	4 000